

**SCHOOL DISTRICT OF THE
BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

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**School District
of**

Ramsey

**RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2012**

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Comprehensive Annual Financial Report

of the

RAMSEY BOARD OF EDUCATION
Ramsey, New Jersey

Year Ended June 30, 2012

Prepared by

Robert J. Marcotulli
Assistant Superintendent-Business/Board Secretary

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INTRODUCTORY SECTION

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RAMSEY BOARD OF EDUCATION
RAMSEY PUBLIC SCHOOLS
266 East Main Street
Ramsey, NJ 07446
Ph. (201) 785-2300

BRUCE W. DEYOUNG
SUPERINTENDENT OF SCHOOLS

ROBERT J. MARCOTULLI
ASSISTANT SUPERINTENDENT-BUSINESS
BOARD SECRETARY

November 15, 2012

Honorable President and
Members of the Board of Education
Ramsey School District
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Ramsey School District for the fiscal year ending June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, the management's discussion and analysis, and the financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Ramsey School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement #34. All funds and account groups of the District are included in this report. The Ramsey School District Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. During

the 2011-2012 fiscal year, the average daily enrollment of 3,024 students is 33 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Enrollment Data

Fiscal Year	Average Daily Enrollment	% Change
2011-2012	3,024	-1.08%
2010-2011	3,057	-1.45%
2009-2010	3,102	-0.19%
2008-2009	3,108	-0.73%
2007-2008	3,131	0.17%
2006-2007	3,126	2.02%
2005-2006	3,064	1.36%
2004-2005	3,023	2.41%
2003-2004	2,952	2.39%
2002-2003	2,883	3.19%

2. ECONOMIC CONDITION AND OUTLOOK: The Ramsey community is essentially developed to almost capacity. The increase in ratables during the past decade has slowed as a result of a decline in new construction. As of 2006, there were only 31.0 acres of vacant land in the borough. As a result, the ratable base is not expected to increase significantly.

As a suburb of the New York Metropolitan area, the region has seen an increase of 1.6% in the consumer price index for the year ending June, 2012.

3. MAJOR INITIATIVES: The 2011-2012 school year saw several new projects and initiatives that deserve mention.

The District continued with a major 21st Century learning initiative that drives our curriculum and professional development plans. The District's steering committee of administrators and teachers continue to oversee the implementation of this initiative and recommend both staff development and curricular materials to the Superintendent of Schools. Funds are being used to support the K-12 21st Century Steering Committee, associated staff development activities, as well as professional activities related to this important learning initiative.

The District continued to move forward with its technology initiative completing the second year of a new three year technology plan. Major work during the 2011-12 school year included the continuation of major upgrades to the district's wireless network capabilities, a pilot program of a one-to-one i-Pad initiative at the eighth grade level, and the addition of additional wireless access points at the middle school to accommodate the additional traffic produced by the i-Pads. Additional peripherals, including Smartboard Technology have once again been purchased and installed in a number of classrooms to further enhance our classroom instruction.

To meet the requirements of a new State mandate, a District Committee was formed to select a new Teacher Evaluation instrument and to plan for its implementation in the District. Budget dollars were used to secure samples of various evaluation materials, and to send Committee members to conferences and workshops. Money will be budgeted in the next budget to purchase the instrument selected by the Committee and to provide the required staff development to both the teaching staff and the members of the supervisory staff.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the District is protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.


6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.


7. **RISK MANAGEMENT**: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. **OTHER INFORMATION**: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva, P.A. was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

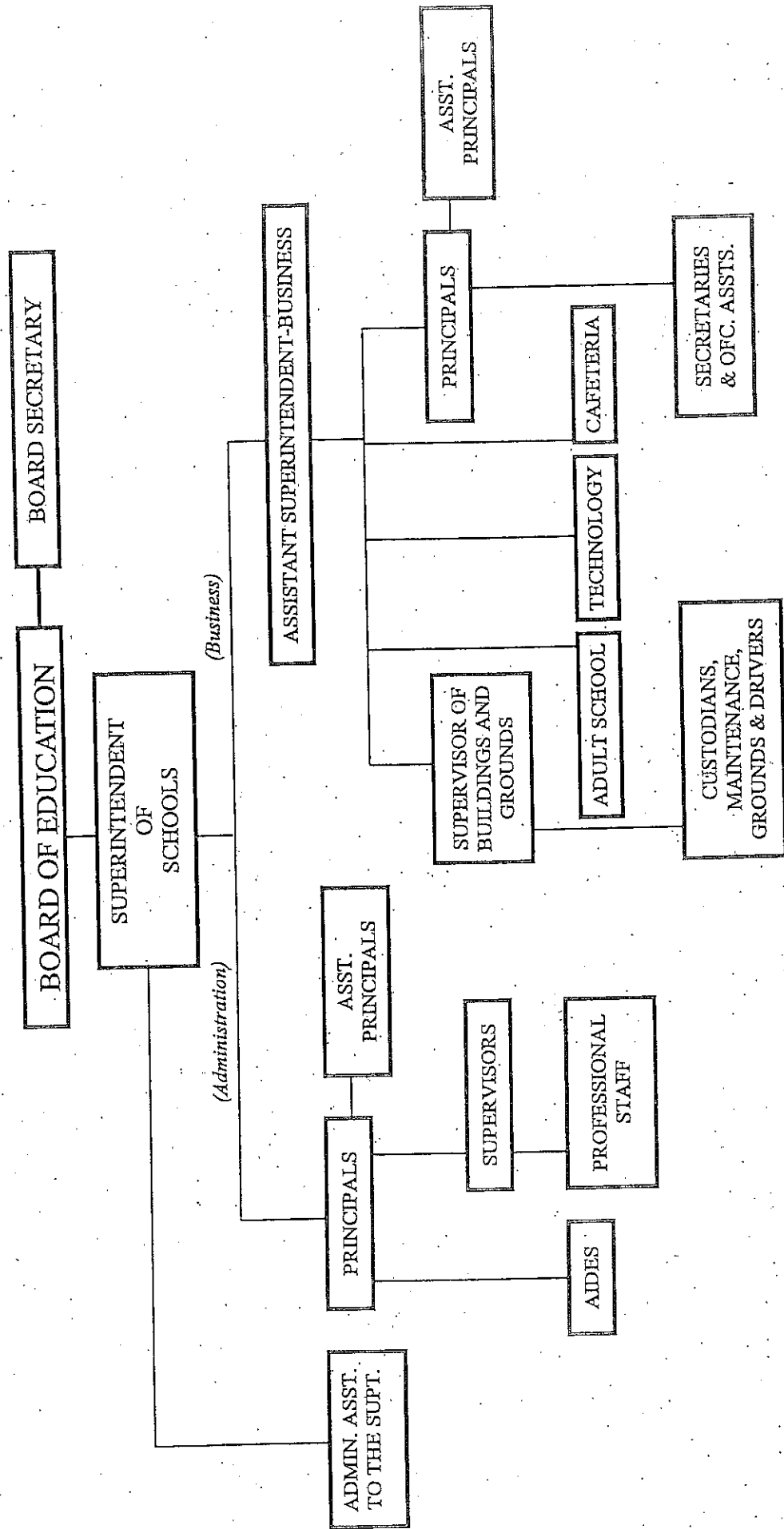
9. **ACKNOWLEDGEMENTS**: We would like to express our appreciation to the members of the Ramsey School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted:


Mr. Bruce W. DeYoung
Superintendent of Schools


Robert J. Marcotulli
Assistant Superintendent-Business/Board Secretary

ORGANIZATIONAL CHART



RAMSEY PUBLIC SCHOOLS
RAMSEY, NEW JERSEY

**RAMSEY SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Anthony Gasparovich, President	2014
Carrie Williams, Vice President	2013
Laura E. Genovese Behrmann	2014
Timothy Finnegan	2013
Mae Fine	2015
James Meiman	2014
Claudia Monteith	2013
Richard S. Muti	2015
David Rockefeller	2015

Other Officials

Dr. Roy Montesano, Superintendent of Schools

Robert J. Marcotulli, Assistant Superintendent-Business/Board Secretary

Robert M. Jacobs, Esq., Solicitors

RAMSEY BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Architect

Selected as needed

Audit Firm

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

Robert M. Jacobs, Esq.
Winne, Banta, Hetherington
Basralian & Kahn, P.C.
Court Plaza South - East Wing
21 Main Street
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Hackensack, NJ 07602

Official Depositories

TD Bank, N.A.
Lake Street
Ramsey, NJ 07446

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FINANCIAL SECTION

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Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

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401 Wanaque Avenue
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey
Ramsey, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Ramsey School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Ramsey School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

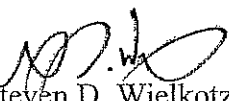
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund, and the aggregate remaining fund information of the Borough of Ramsey Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.


In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012 on our consideration of the Borough of Ramsey Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 22 and 55 through 62 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Ramsey Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 27, 2012



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The management discussion and analysis of the Ramsey Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net assets increased \$2,019,726. Net assets of governmental activities increased \$2,039,222 while net assets of business-type activity decreased by \$19,496.

General revenues accounted for \$56,535,043 in revenue or 97 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,912,978 or 3 percent of total revenues of \$58,448,021.

The School District had \$55,619,099 in expenses related to governmental activities; only \$1,123,278 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$56,535,043 were adequate to provide for these programs.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net assets and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question - is the District better or worse off as a result of the year's activities? These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Ramsey Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the *Statement of Net Assets and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities - All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity - This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as a business activity.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The two statements report the District's net assets and changes in them. The change in net assets can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Ramsey Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the district's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities).

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

The Ramsey Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital projects, and debt service funds, which are all considered to be major funds.

USING THIS ANNUAL REPORT, (continued)

The Ramsey Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund special, revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Ramsey Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Assets provides the perspective of the District as a whole. Net assets may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net assets were \$21,943,634 at June 30, 2012 and \$19,923,908 at June 30, 2011, respectively. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2012 compared to 2011 (Table 1) and change in net assets (Table 2) of the School District.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current and Other Assets	10,608,610	8,264,983	280,564	317,574	10,889,174	8,582,557
Capital Assets	<u>35,351,880</u>	<u>36,442,557</u>	<u>181,888</u>	<u>172,449</u>	<u>35,533,768</u>	<u>36,615,006</u>
Total Assets	<u>45,960,490</u>	<u>44,707,540</u>	<u>462,452</u>	<u>490,023</u>	<u>46,422,942</u>	<u>45,197,563</u>
Liabilities						
Current Liabilities	2,724,696	3,264,399	41,211	49,286	2,765,907	3,313,685
Noncurrent Liabilities	<u>21,713,401</u>	<u>21,959,970</u>	—	—	<u>21,713,401</u>	<u>21,959,970</u>
Total Liabilities	<u>24,438,097</u>	<u>25,224,369</u>	<u>41,211</u>	<u>49,286</u>	<u>24,479,308</u>	<u>25,273,655</u>
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	14,628,397	15,273,557	181,888	172,449	14,810,285	15,446,006
Restricted	6,911,478	4,375,566			6,911,478	4,375,566
Unrestricted	<u>(17,482)</u>	<u>(165,952)</u>	<u>239,353</u>	<u>268,288</u>	<u>221,871</u>	<u>102,336</u>
Total Net Assets	<u>21,522,393</u>	<u>19,483,171</u>	<u>421,241</u>	<u>440,737</u>	<u>21,943,634</u>	<u>19,923,908</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2012 compared to 2011.

**Table 2
Changes in Net Assets
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			692,178	709,350	692,178	709,350
Operating Grants and						
Contributions	1,123,278	1,178,123	97,522	84,472	1,220,800	1,262,595
Capital Grants and						
Contributions		86,501				86,501
General Revenues:						
Taxes:						
Property taxes	49,511,517	48,736,464			49,511,517	48,736,464
Federal and State Aid not						
Restricted	5,454,640	3,870,650			5,454,640	3,870,650
Tuition Received	1,510,925	1,547,116			1,510,925	1,547,116
Miscellaneous Income	57,776	380,240			57,776	380,240
Investment Earnings	<u>185</u>	<u>51,977</u>	<u> </u>	<u> </u>	<u>185</u>	<u>51,977</u>
Total Revenues and Transfers	<u>57,658,321</u>	<u>55,851,071</u>	<u>789,700</u>	<u>793,822</u>	<u>58,448,021</u>	<u>56,644,893</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functions/Program Expenses						
Instruction:						
Regular	21,268,865	21,340,017			21,268,865	21,340,017
Special Education	4,590,023	4,919,294			4,590,023	4,919,294
Other Special Instruction	925,934	842,159			925,934	842,159
Other Instruction	1,055,248	1,023,763			1,055,248	1,023,763
Support Services:						
Tuition	2,988,157	2,758,946			2,988,157	2,758,946
Student & Instruction						
Related Services	7,124,675	7,203,833			7,124,675	7,203,833
General Administrative						
Services	1,295,683	1,239,011			1,295,683	1,239,011
Central Services	540,506	533,362			540,506	533,362
Administrative Info. Tech.	17,460	17,460			17,460	17,460
School Administrative						
Services	2,320,494	2,275,194			2,320,494	2,275,194
Plant Operations and						
Maintenance	4,837,580	4,518,777			4,837,580	4,518,777
Pupil Transportation	1,515,917	1,635,220			1,515,917	1,635,220
Unallocated Benefits	4,082,254	3,205,691			4,082,254	3,205,691
Capital Outlay-						
Non-depreciable	6,230	17,175			6,230	17,175
Interest on Long-Term Debt	630,270	967,729			630,270	967,729
Unallocated depreciation	1,215,320	1,333,946			1,215,320	1,333,946
Capital Lease Obligation and						
Amortization	1,204,483				1,204,483	
Food Service			809,196	785,738	809,196	785,738
Total Expenses	<u>55,619,099</u>	<u>53,831,577</u>	<u>809,196</u>	<u>785,738</u>	<u>56,428,295</u>	<u>54,617,315</u>
Increase or (Decrease) in						
Net Assets	<u>2,039,222</u>	<u>2,019,494</u>	<u>(19,496)</u>	<u>8,084</u>	<u>2,019,726</u>	<u>2,027,578</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$56,428,295. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$49,511,517 because some of the cost was paid by those who benefitted from the programs \$692,178, by other governments and organizations who subsidized certain programs with grants and contributions \$1,220,800 , and by miscellaneous sources \$7,023,526.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$19,496.
- ✓ Charges for services provided totaled \$692,178 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$97,522.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2012, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$51,080,403	88.6%	\$364,606	.72%
State Source	5,635,968	9.8%	1,418,069	33.62%
Federal Source	<u>941,950</u>	<u>1.6%</u>	<u>24,575</u>	2.68%
Total	<u>\$57,658,321</u>	<u>100.0%</u>	<u>\$1,807,250</u>	3.24%

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$22,521,056	40.9%	(\$171,381)	(.76)%
Undistributed	29,920,755	54.3%	690,891	2.36%
Debt Service	2,576,167	4.7%	(1,222)	(.05)%
Capital Outlay	<u>52,910</u>	<u>.1%</u>	<u>(407,385)</u>	<u>(88.51)%</u>
Total	<u>\$55,070,888</u>	<u>100.0%</u>	<u>\$110,903</u>	.20%

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2012, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$24,866 for increases in federal and state grant awards.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

General Fund

The general fund actual revenue was \$54,028,672. That amount is \$4,507,462 above the final amended budget of \$49,521,210. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$3,883,306 for TPAF social security reimbursements and on-behalf pension payments, an excess in other state and federal aids of \$675,352 and a deficit of \$51,196 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$51,371,443 including transfers which is \$882,392 above the final amended budget of \$50,489,051. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$3,883,306, and \$3,000,914 unexpended budgeted funds.

General fund had total revenues of \$54,028,672 and total expenditures and transfers of \$51,371,443 with an ending fund balance of \$7,945,759.

Special Revenue Fund

The special revenue fund actual revenue was \$1,123,278. That amount is below the original budget estimate of \$1,131,438 and below the final amended budget of \$1,156,304. The \$24,866 variance between the original and final budget was due to additional federal and state grant monies awarded to the District after the original budget was approved. The \$33,026 variance between the final amended budget and the June 30, 2012 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year and miscellaneous receivables.

The actual expenditures of the special revenue fund were \$1,123,278, which is below the original budget of \$1,131,438 and below the final amended budget of \$1,156,304. The \$24,866 variance between the original and final budget was due to the additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$33,026 variance between the final amended budget and the June 30, 2012 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012 the School District had \$57,223,504 invested in sites, buildings, equipment. Of this amount \$21,689,736 in depreciation has been taken over the years. We currently have a net book value of \$35,533,768. Table 3 shows fiscal year 2012 balances compared to 2011.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Sites and Improvements	\$4,425,700	\$4,425,700	\$	\$	\$4,425,700	\$4,425,700
Buildings and Improvements	29,328,518	30,265,766			29,328,518	30,265,766
Furniture, Equipment and Vehicles	<u>1,597,662</u>	<u>1,751,091</u>	<u>181,888</u>	<u>172,449</u>	<u>1,779,550</u>	<u>1,923,540</u>
	<u>\$35,351,880</u>	<u>\$36,442,557</u>	<u>\$181,888</u>	<u>\$172,449</u>	<u>\$35,533,768</u>	<u>\$36,615,006</u>

Debt Administration

At June 30, 2012, the District had \$21,713,401 of long-term debt. Of this amount, \$989,918 is compensated absence and \$19,505,000 is school improvement serial bonds issues dated May 15, 2002, December 15, 2003 and April 4, 2012.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
School Improvement Bonds - 2002	\$630,000	\$3,725,000
School Improvement Bonds - 2003	2,175,000	17,444,000
School Refunding Bonds - 2012	<u>16,700,000</u>	<u> </u>
	<u>\$19,505,000</u>	<u>\$21,169,000</u>

**RAMSEY BOARD OF EDUCATION
RAMSEY, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The State revenue estimates remain depressed. This has resulted in the legislature and governor approving state school aid of only 3.0% for the 2011-2012 school year after two successive years of level funding.

The following factors were considered in preparing the 2012-2013 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of Fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% of adjusted General Fund expenditures or \$250,000, whichever is greater must be appropriated for tax relief.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Ramsey Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Robert J. Marcotulli
Assistant Superintendent-Business / Board Secretary
Ramsey Board of Education
266 East Main Street
Ramsey, NJ 07446

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BASIC FINANCIAL STATEMENTS

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DISTRICT-WIDE FINANCIAL STATEMENTS

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RAMSEY BOARD OF EDUCATION
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,016,184	172,091	2,188,275
Investments	239,019		239,019
Receivables, net	6,401,178	106,223	6,507,401
Inventory		2,250	2,250
Restricted assets:			
Capital reserve account - cash	1,952,229		1,952,229
Capital assets, net:			
Land	4,425,700		4,425,700
Other capital assets, net	30,926,180	181,888	31,108,068
Total Assets	<u>45,960,490</u>	<u>462,452</u>	<u>46,422,942</u>
LIABILITIES			
Accounts payable and accrued liabilities	121,589	41,211	162,800
Interfunds payable	67,309		67,309
Payable to state government	33,026		33,026
Loans payable	2,500,000		2,500,000
Deferred revenue	2,772		2,772
Noncurrent liabilities:			
Due within one year	2,046,848		2,046,848
Due beyond one year	19,666,553		19,666,553
Total liabilities	<u>24,438,097</u>	<u>41,211</u>	<u>24,479,308</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,628,397	181,888	14,810,285
Restricted for:			
Debt service	8,032		8,032
Capital projects	2,058,822		2,058,822
Other purposes	4,844,624		4,844,624
Unrestricted (Deficit)	(17,482)	239,353	221,871
Total net assets	<u>21,522,393</u>	<u>421,241</u>	<u>21,943,634</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	17,196,576	4,072,289		837,997	(20,430,868)		(20,430,868)
Special education	3,654,051	935,972			(4,590,023)		(4,590,023)
Other special instruction	777,329	148,605			(925,934)		(925,934)
Other instruction	875,684	179,564			(1,055,248)		(1,055,248)
Support services:							
Instruction	2,988,157				(2,988,157)		(2,988,157)
Student & instruction related services	5,716,444	1,408,231		285,281	(6,839,394)		(6,839,394)
General administrative services	1,159,074	136,609			(1,295,683)		(1,295,683)
School administrative services	1,880,884	439,610			(2,320,494)		(2,320,494)
Central Services	439,942	100,564			(540,506)		(540,506)
Administrative information tech.	17,460				(17,460)		(17,460)
Plant operations and maintenance	4,288,204	549,376			(4,837,580)		(4,837,580)
Pupil transportation	1,472,325	43,592			(1,515,917)		(1,515,917)
Unallocated benefits	4,082,254				(4,082,254)		(4,082,254)
Capital outlay - non-depreciable	6,230				(6,230)		(6,230)
Interest on long-term debt	630,270				(630,270)		(630,270)
Unallocated depreciation	1,215,320				(1,215,320)		(1,215,320)
Capital lease obligation and amortization	1,204,483				(1,204,483)		(1,204,483)
Total governmental activities	47,604,687	8,014,412	-	1,123,278	(54,495,821)	-	(54,495,821)
Business-type activities:							
Food Service	809,196		692,178	97,522		(19,496)	(19,496)
Total business-type activities	809,196		692,178	97,522		(19,496)	(19,496)
Total primary government	48,413,883		692,178	1,220,800	(54,495,821)	(19,496)	(54,515,317)
General revenues:							
Taxes:							
Levied for general purposes							
Taxes levied for debt service							
Federal and State aid not restricted							
Federal and State aid - Capital Outlay							
Tuition received							
Transportation Fees							
Investment Earnings							
Miscellaneous Income							
Total general revenues, special items, extraordinary items and transfers							
Change in Net Assets							
Net Assets—beginning							
Net Assets—ending							

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

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RAMSEY BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	4,564,532				4,564,532
Investments			239,019		239,019
Accounts Receivable -					
Intergovernmental - State	599,914		5,567,272		6,167,186
Intergovernmental - Federal		57,123			57,123
Interfund receivables	667,415			616,693	1,284,108
Other receivables	176,869				176,869
Restricted cash and cash equivalents:					
Capital Reserve	1,952,229				1,952,229
Total assets	<u>7,960,959</u>	<u>57,123</u>	<u>5,806,291</u>	<u>616,693</u>	<u>14,441,066</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash and cash equivalents			1,939,687	608,661	2,548,348
Intergovernmental payable:					
State		33,026			33,026
Loans Payable			2,500,000		2,500,000
Interfund Payable	67,309	24,097	1,260,011		1,351,417
Deferred revenue	2,772				2,772
Total liabilities	<u>70,081</u>	<u>57,123</u>	<u>5,699,698</u>	<u>608,661</u>	<u>6,435,563</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	2,316,006				2,316,006
Excess Surplus - prior year - designated for subsequent year's expenditures	2,075,896				2,075,896
Capital reserve account	1,952,229				1,952,229
Committed to:					
Year-end Encumbrances	420,000				420,000
Assigned to:					
Designated by the BOE for subsequent year's expenditures	32,722				32,722
Capital projects fund			106,593		106,593
Debt service fund				8,032	8,032
Unassigned:					
General Fund	1,094,025				1,094,025
Total Fund balances	<u>7,890,878</u>	<u>-</u>	<u>106,593</u>	<u>8,032</u>	<u>8,005,503</u>
Total liabilities and fund balances	<u>7,960,959</u>	<u>57,123</u>	<u>5,806,291</u>	<u>616,693</u>	

Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,616,091 and the accumulated depreciation is \$21,264,211.

35,351,880

Accrued interest liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)

(121,589)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)

(21,713,401)

Net assets of governmental activities

21,522,393

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	46,954,695			2,556,822	49,511,517
Tuition charges	1,510,925				1,510,925
Transportation Fees	24,562				24,562
Interest on Investments			185		185
Miscellaneous	28,969			4,245	33,214
Total - Local Sources	48,519,151	-	185	2,561,067	51,080,403
State sources	5,375,708	260,260			5,635,968
Federal sources	78,932	863,018			941,950
Total revenues	53,973,791	1,123,278	185	2,561,067	57,658,321
EXPENDITURES					
Current:					
Regular instruction	16,375,995	837,997			17,213,992
Special education instruction	3,654,051				3,654,051
Other special instruction	777,329				777,329
School sponsored/other instructional	875,684				875,684
Support services and undistributed costs:					
Instruction	2,994,928				2,994,928
Attendance and social work services	74,196				74,196
Health services	408,930				408,930
Student & instruction related services	4,960,946	285,281			5,246,227
General administrative services	1,159,074				1,159,074
School administrative services	1,880,884				1,880,884
Central services	439,942				439,942
Administrative information tech.	17,460				17,460
Plant operations and maintenance	4,329,071				4,329,071
Pupil transportation	1,472,325				1,472,325
Unallocated benefits	8,014,412				8,014,412
On-behalf contributions	3,883,306				3,883,306
Debt Service:					
Principal				1,650,000	1,650,000
Interest and charges				926,167	926,167
Capital outlay	52,910				52,910
Total expenditures	51,371,443	1,123,278	-	2,576,167	55,070,888
Excess (Deficiency) of revenues over expenditures	2,602,348	-	185	(15,100)	2,587,433
OTHER FINANCING SOURCES (USES)					
Transfers out - Debt Service			(185)		(185)
Transfers in - Capital Projects				185	185
Total other financing sources and uses	-	-	(185)	185	-
Net change in fund balances	2,602,348	-	-	(14,915)	2,587,433
Fund balance—July 1	5,288,530	-	106,593	22,947	5,418,070
Fund balance—June 30	7,890,878	-	106,593	8,032	8,005,503

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) 2,587,433

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(1,215,320)	
Depreciable outlays	<u>124,643</u>	
		(1,090,677)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Serial bond obligations	1,650,000	
Refunding bond issuance	<u>16,714,000</u>	
		18,364,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt	(16,700,000)	
Amortization Expense - Premium	(1,390,910)	
Amortization Expense - Cost of Issuance	<u>172,427</u>	
		(17,918,483)

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in interest is an adjustment in the reconciliation.

Prior Year	417,486	
Current Year	<u>(121,589)</u>	
		295,897

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable		(198,948)
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Change in net assets of governmental activities

2,039,222

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Exhibit B-4**RAMSEY BOARD OF EDUCATION****Statement of Net Assets****Proprietary Funds****June 30, 2012****Food Service
Program****ASSETS**

Current assets:

Cash and cash equivalents	172,091
Accounts receivable:	
State	398
Federal	4,799
Interfund - General Fund	67,309
Other	33,717
Inventories	2,250
Total current assets	<u>280,564</u>

Noncurrent assets:

Capital assets:

Equipment	607,413
Less accumulated depreciation	<u>(425,525)</u>
Total capital assets (net of accumulated depreciation)	<u>181,888</u>
Total assets	<u><u>462,452</u></u>

LIABILITIES

Current liabilities:

Accounts payable	<u>41,211</u>
Total current liabilities	<u>41,211</u>

NET ASSETS

Invested in capital assets net of related debt	181,888
Unrestricted	<u>239,353</u>
Total net assets	<u><u>421,241</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Exhibit B-5

RAMSEY BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	267,985
Daily sales - non-reimbursable programs	316,350
Special functions	107,843
Total operating revenues	<u>692,178</u>
Operating expenses:	
Cost of sales	295,014
Salaries	272,060
Benefits	73,128
Supplies and materials	27,457
Purchased property services	77,445
Cleaning repair & maintenance	45,010
Depreciation	19,082
Total Operating Expenses	<u>809,196</u>
Operating income (loss)	<u>(117,018)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	5,120
Federal sources:	
National school lunch program	61,778
Food distribution program	30,624
Total nonoperating revenues (expenses)	<u>97,522</u>
Income (loss) before contributions & transfers	<u>(19,496)</u>
Change in net assets	(19,496)
Total net assets—beginning	<u>440,737</u>
Total net assets—ending	<u><u>421,241</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

Exhibit B-6

RAMSEY BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	669,497
Payments to suppliers	<u>(771,185)</u>
Net cash provided by (used for) operating activities	<u>(101,688)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Local Sources	65,346
Net cash provided by (used for) non-capital financing activities	<u>65,346</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(35,776)</u>
Net cash provided by (used for) capital and related financing activities	<u>(35,776)</u>
Net increase (decrease) in cash and cash equivalents	<u>(72,118)</u>
Balances—beginning of year	244,209
Balances—end of year	<u><u>172,091</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(117,018)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
(Increase) decrease in accounts receivable	(33,717)
Depreciation and net amortization	19,082
Food Distribution Program	30,624
(Increase) decrease in inventories	161
Increase (decrease) in accounts payable	<u>(820)</u>
Total adjustments	<u>15,330</u>
Net cash provided by (used for) operating activities	<u><u>(101,688)</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	220,687	52,414	867,679
Interfund Receivable	13,142		
Total assets	<u>233,829</u>	<u>52,414</u>	<u>867,679</u>
LIABILITIES			
Payable to student groups			630,522
Payroll deductions and withholdings			224,015
Contribution Pledged to Specific Awards		13,705	
Due to State of NJ	12,282		
Interfund Payable			13,142
Total liabilities	<u>12,282</u>	<u>13,705</u>	<u>867,679</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	221,547		
Reserved for scholarships		38,709	
	<u>221,547</u>	<u>38,709</u>	

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

RAMSEY BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>
ADDITIONS		
Contributions:		
Payroll withholdings	45,659	
Donations		60
Total Contributions	<u>45,659</u>	<u>60</u>
Investment earnings:		
Interest	71	4
Net investment earnings	<u>71</u>	<u>4</u>
Total additions	<u>45,730</u>	<u>64</u>
DEDUCTIONS		
Unemployment Claims	87,085	
Scholarships awarded		6,439
Total deductions	<u>87,085</u>	<u>6,439</u>
Change in net assets	(41,355)	(6,375)
Net assets—beginning of the year	<u>262,902</u>	<u>45,084</u>
Net assets—end of the year	<u>221,547</u>	<u>38,709</u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

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**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education ("Board") of the Borough of Ramsey School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Ramsey School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Ramsey School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net assets and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:-34-

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net assets, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net assets and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net assets, except for fiduciary funds.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made additional appropriations during the year for additional federal aid received.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net assets and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

S. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

T. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$-0- of the District's bank balance of \$7,258,641 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
State Aid	\$6,167,186	\$398	\$6,167,584
Federal Aid	57,123	4,799	61,922
Other	176,869	33,717	210,586
Interfunds	<u>1,284,108</u>	<u>67,309</u>	<u>67,309</u>
Gross Receivables	7,685,286	106,223	6,507,401
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$7,685,286</u>	<u>\$106,223</u>	<u>\$6,507,401</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2012, consist of the following:

\$67,309	Due to the Food Service Fund from the General Fund for subsidy reimbursements received but not turned over.
598,992	Due to the Debt Service Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
17,700	Due to the Debt Service Fund from the Capital Projects Fund for premium on notes.
513,478	Due to the General Fund from the Capital Projects Fund for payment of loan.
129,841	Due to the General Fund from the Capital Projects Fund for expense reimbursements.
2,772	Due to the General Fund from the Special Revenue Fund for prior years Distance Learning Network Aid deferred revenue.
<u>21,325</u>	Due to the General Fund from the Special Revenue Fund to cover cash deficit.
<u>\$1,351,417</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>6/30/11</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/12</u>
Governmental Activities				
Capital Assets That Are Not Being Depreciated:				
Land	<u>\$4,425,700</u>	<u>\$</u>	<u>\$</u>	<u>\$4,425,700</u>
Total Capital Assets, Not Being Depreciated	<u>4,425,700</u>			<u>4,425,700</u>
Building and building improvements	44,337,950	34,220		44,372,170
Machinery and equipment	<u>7,727,798</u>	<u>90,423</u>		<u>7,818,221</u>
Totals at Historical Cost	<u>52,065,748</u>	<u>124,643</u>		<u>52,190,391</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(14,072,184)	(971,468)		(15,043,652)
Equipment	<u>(5,976,707)</u>	<u>(243,852)</u>		<u>(6,220,559)</u>
Total Accumulated Depreciation	<u>(20,048,891)</u>	<u>(1,215,320)</u>		<u>(21,264,211)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>32,016,857</u>	<u>(1,090,677)</u>		<u>30,926,180</u>
Governmental Activities Capital Assets, Net	<u>\$36,442,557</u>	<u>(\$1,090,677)</u>	<u>\$</u>	<u>\$35,351,880</u>
Business-Type Activity				
Equipment	578,892	35,776	(7,255)	607,413
Less Accumulated Depreciation For:				
Equipment	<u>(406,443)</u>	<u>(19,082)</u>		<u>(425,525)</u>
Business-Type Activity Capital Assets, Net	<u>\$172,449</u>	<u>\$16,694</u>	<u>(\$7,255)</u>	<u>\$181,888</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as "unallocated depreciation".

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATIONS

Advance and Current Refundings of Debt

On April 4, 2012, the District issued \$16,700,000 in School District Refunding Bonds having an interest rate of 2.00% to 5.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$16,714,000 and the total interest payments defeased was \$1,271,630. The net proceeds of \$17,918,483 (after payment of underwriting fees, insurance and other insurance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance of refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$172,427. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

Changes in long-term obligations for the fiscal year ended June 30, 2012 are as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Governmental Activities:						
Bonds payable:						
General obligation debt	\$21,169,000	\$16,700,000	\$(18,364,000)	\$19,505,000	\$1,925,000	\$17,580,000
Add:						
Unamortized Premium		1,390,910		1,390,910	139,091	1,251,819
Less:						
Unamortized Amount on Refunding		<u>(172,427)</u>		<u>(172,427)</u>	<u>(17,243)</u>	<u>(155,184)</u>
Total Bonds Payable	<u>21,169,000</u>	<u>17,918,483</u>	<u>(18,364,000)</u>	<u>20,723,483</u>	<u>2,046,848</u>	<u>18,676,635</u>
Other Liabilities:						
Compensated absences payable	<u>790,970</u>	<u>274,115</u>	<u>(75,167)</u>	<u>989,918</u>		<u>989,918</u>
Total other liabilities	<u>790,970</u>	<u>274,115</u>	<u>(75,167)</u>	<u>989,918</u>		<u>989,918</u>
Total Governmental Activities	<u>\$21,959,970</u>	<u>\$18,192,598</u>	<u>(\$18,439,167)</u>	<u>\$21,713,401</u>	<u>\$2,046,848</u>	<u>\$19,666,553</u>

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 7. LONG-TERM OBLIGATIONS,(continued)

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the board are general obligation bonds.

Outstanding bonds payable at June 30, 2012 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2012</u>
School Bonds	\$6,120,000	5/15/2003	3.5%-5.0%	7/15/2012	\$630,000
School Bonds	23,434,000	12/15/2003	3.0%-4.5%	1/15/2014	2,175,000
Refunding School Bonds	16,700,000	4/4/2012	2.0%-5.0%	1/15/2024	<u>16,700,000</u>
					<u>\$19,505,000</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,925,000	\$494,139	\$2,419,139
2014	1,815,000	569,500	2,384,500
2015	1,850,000	511,000	2,361,000
2016	1,850,000	474,000	2,324,000
2017	1,865,000	437,000	2,302,000
2018-2022	7,015,000	1,474,850	8,489,850
2023-2024	<u>3,185,000</u>	<u>224,900</u>	<u>3,409,900</u>
	<u>\$19,505,000</u>	<u>\$4,185,389</u>	<u>\$23,690,389</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2012 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District had no capital leases outstanding at June 30, 2012.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 8. TEMPORARY NOTES

The District issued temporary notes to fund various capital projects in anticipation of the receipt of Educational Facilities Construction and Financing Act reimbursements. The term of the notes cannot exceed one year but the note may be renewed from time to time for a period not exceeding one year.

One June 30, 2012, the District had \$2,500,000 in outstanding temporary notes due on July 24, 2012 at a rate of 1.25%. At maturity, \$2,500,000 was rolled over.

NOTE 9. OPERATING LEASES

The District has commitments to lease certain office equipment under operating leases that expire in 2012. Total operating lease payments made during the year ended June 30, 2012 were \$113,303. Future minimum lease payments are as follows:

<u>Year ending June 30.</u>	<u>Amount</u>
2013	\$113,528
2014	107,258
2015	95,427
2016	37,662
2017	<u>7,490</u>
Total future minimum lease payments	<u>\$361,365</u>

NOTE 10. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 10. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year	
<u>Ending</u>	
6/30/12	\$598,160
6/30/11	586,744
6/30/10	465,843

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

Year	Pension	Post- Retirement Medical	NCGI
<u>Ending</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Premium</u>
6/30/12	\$657,763	\$1,464,175	\$70,587
6/30/11		1,450,455	68,289
6/30/10		1,404,698	74,792

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 10. PENSION PLANS, (continued)

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$2,192,525 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,690,781 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the district-wide financial statements, and fund based statements as revenues and expenditures in accordance with GASB 24.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

**Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 11. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AIM Fund Services	Equitable
American United Life	MFS Funds
Guardian Insurance	Lincoln
Mass Mutual	Merrill Lynch
Metropolitan Life	Travlers
Paul Revere	Union Central Life
Valic	

NOTE 13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 13. RISK MANAGEMENT, (continued)

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$71	\$45,659	\$87,085	\$221,547
2010-2011	245,222	44,768	99,112	262,902
2009-2010	-0-	45,907	129,103	72,024

NOTE 14. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Ramsey Board of Education by inclusion of \$502,000 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$1,202,229
Increased by:	
Deposit Approved by Resolution June 26, 2012	<u>750,000</u>
Ending balance, June 30, 2012	<u>\$1,952,229</u>

Borough of Ramsey School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$7,890,878 General Fund fund balance at June 30, 2012, \$420,000 is reserved for encumbrances; \$4,391,902 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$2,075,896 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$1,952,229 has been reserved in the Capital Reserve Account; \$32,722 has been designated by the Board for subsequent year's expenditures; and \$1,094,025 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2012 of \$8,032 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$4,391,902. Of this amount, \$2,316,006 is the result of current year operations.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$1,432
Supplies	<u>818</u>
	<u>\$2,250</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

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BUDGETARY COMPARISON SCHEDULES

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Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	46,954,695		46,954,695	46,954,695	
Tuition	1,469,154		1,469,154	1,510,925	41,771
Transportation Fees from Individuals	21,230		21,230	24,562	3,332
Interest Earned on Capital Reserve Funds	60		60		(60)
Other Restricted Miscellaneous Revenues	65,208		65,208		(65,208)
Unrestricted Miscellaneous Revenues	60,000		60,000	28,969	(31,031)
Total - Local Sources	48,570,347		48,570,347	48,519,151	(51,196)
Revenues from State Sources:					
Categorical Special Education Aid	474,070		474,070	948,140	474,070
Extraordinary Aid	400,000		400,000	589,373	189,373
Nonpublic Transportation				9,770	9,770
On-behalf TPAF pension Contributions (non-budgeted)				2,121,938	2,121,938
On-behalf NCGI Premium (non-budgeted)				70,587	70,587
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,690,781	1,690,781
Total - State Sources	874,070		874,070	5,430,589	4,556,519
Revenues from Federal Sources:					
Special Education Medicaid Initiative	1,900		1,900	4,039	2,139
Education Jobs Fund	72,618	2,275	74,893	74,893	
Total - Federal Sources	74,518	2,275	76,793	78,932	2,139
TOTAL REVENUES	49,518,935	2,275	49,521,210	54,028,672	4,507,462
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	485,453	(93,500)	391,953	380,334	11,619
Grades 1-5 - Salaries of Teachers	5,179,350	293,485	5,472,835	5,279,146	193,689
Grades 6-8 - Salaries of Teachers	3,808,747	27,000	3,835,747	3,693,123	142,624
Grades 9-12 - Salaries of Teachers	6,547,863	(66,000)	6,481,863	6,298,703	183,160
Regular Programs - Home Instruction:					
Salaries of Teachers	85,000		85,000	64,464	20,536
Purchased Professional-Educational Services	5,000	5,000	10,000	9,466	534
General Supplies		1,000	1,000	882	118
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	88,950		88,950	71,789	17,161
Other Purchased Services (400-500 series)	65,967	(2,700)	63,267	60,461	2,806
General Supplies	298,404	5,569	303,973	280,393	23,580
Textbooks	255,277	(3,910)	251,367	231,336	20,031
Other Objects	7,237		7,237	5,898	1,339
TOTAL REGULAR PROGRAMS - INSTRUCTION	16,827,248	165,944	16,993,192	16,375,995	617,197
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	725,100	41,300	766,400	735,411	30,989
Other Salaries for Instruction	541,655	93,700	635,355	521,016	114,339
General Supplies	5,724	5,000	10,724	9,427	1,297
Total Learning and/or Language Disabilities	1,272,479	140,000	1,412,479	1,265,854	146,625
Multiple Disabilities					
Salaries of Teachers	266,291	(37,600)	228,691	222,018	6,673
Other Salaries for Instruction	263,501	19,600	283,101	254,503	28,598
Other Purchased Services (400-500 Series)	26		26	25	1
General Supplies	3,672		3,672	2,356	1,316
Total Multiple Disabilities	533,490	(18,000)	515,490	478,902	36,588
Resource Room/Resource Center:					
Salaries of Teachers	1,829,848	(192,200)	1,637,648	1,573,902	63,746
Other Salaries for Instruction	92,137	(66,300)	25,837	25,714	123
Other Purchased Services (400-500 Series)	1,712	10	1,722	1,721	1
General Supplies	35,512		35,512	14,764	20,748
Textbooks	9,540	(500)	9,040	8,536	504
Total Resource Room/Resource Center	1,968,749	(258,990)	1,709,759	1,624,637	85,122

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	78,510	45,000	123,510	119,176	4,334
Other Salaries for Instruction	127,760	28,000	155,760	148,805	6,955
General Supplies	3,011	3,000	6,011	5,120	891
Total Preschool Disabilities - Full-Time	209,281	76,000	285,281	273,101	12,180
Home Instruction:					
Salaries of Teachers	30,000		30,000	11,557	18,443
Total Home Instruction	30,000		30,000	11,557	18,443
TOTAL SPECIAL EDUCATION - INSTRUCTION	4,013,999	(60,990)	3,953,009	3,654,051	298,958
Basic Skills/Remedial - Instruction					
Salaries of Teachers	602,297	(107,000)	495,297	480,801	14,496
Other Salaries for Instruction		210,000	210,000	197,296	12,704
General Supplies	5,559		5,559	4,746	813
Total Basic Skills/Remedial - Instruction	607,856	103,000	710,856	682,843	28,013
Bilingual Education - Instruction					
Salaries of Teachers	110,048	(14,000)	96,048	92,694	3,354
General Supplies	1,400		1,400	689	711
Textbooks	1,300		1,300	1,103	197
Total Bilingual Education - Instruction	112,748	(14,000)	98,748	94,486	4,262
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	208,000	32,000	240,000	218,787	21,213
Purchased Services (300-500 series)	32,078	3,800	35,878	35,606	272
Supplies and Materials	5,324		5,324	5,323	1
Other Objects	3,300	(300)	3,000	2,748	252
Total School-Sponsored Co/Extra Curricular Activities - Instruction	248,702	35,500	284,202	262,464	21,738
School-Sponsored Athletics - Instruction					
Salaries	516,417		516,417	474,185	42,232
Purchased Services (300-500 series)	87,740	1,910	89,650	82,280	7,370
Supplies and Materials	41,252	(4,000)	37,252	34,995	2,257
Other Objects	22,230	490	22,720	21,760	960
Total School-Sponsored Athletics - Instruction	667,639	(1,600)	666,039	613,220	52,819
TOTAL INSTRUCTION	22,478,192	227,854	22,706,046	21,683,059	1,022,987
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	659,430	23,000	682,430	672,211	10,219
Tuition to County Voc. School Dist. - Regular	102,940	22,000	124,940	122,350	2,590
Tuition to CSSD & Regional Day Schools	468,890	(62,020)	406,870	406,367	503
Tuition to Private Schools for the Disabled Within State	1,572,590	18,000	1,590,590	1,572,504	18,086
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	153,600	73,000	226,600	221,496	5,104
Total Undistributed Expenditures - Instruction:	2,957,450	73,980	3,031,430	2,994,928	36,502
Undistributed Expend. - Attend. & Social Work					
Salaries	47,328	29,500	76,828	74,196	2,632
Total Undistributed Expend. - Attend. & Social Work	47,328	29,500	76,828	74,196	2,632
Undist. Expend. - Health Services					
Salaries	390,748	10,400	401,148	397,396	3,752
Purchased Professional and Technical Services		400	400	337	63
Other Purchased Services (400-500 Series)	537	10	547	539	8
Supplies and Materials	11,205	26	11,231	10,658	573
Other Objects	236		236		236
Total Undistributed Expenditures - Health Services	402,726	10,836	413,562	408,930	4,632
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	651,555	12,300	663,855	645,941	17,914
Purchased Prof. Services-Educational Services		1,700	1,700	1,700	
Supplies and Materials	3,026		3,026	1,704	1,322
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	654,581	14,000	668,581	649,345	19,236

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	354,919	(12,800)	342,119	340,457	1,662
Purchased Professional - Educational Services	367,757	(89,000)	278,757	269,219	9,538
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	722,676	(101,800)	620,876	609,676	11,200
Undist. Expend. - Other Supp. Serv. Students-Regular					
Salaries of Other Professional Staff	916,842	9,000	925,842	909,224	16,618
Salaries of Secretarial and Clerical Assistants	218,017	(78,200)	139,817	135,356	4,461
Other Purchased Professional and Technical Services	45,000		45,000	43,322	1,678
Other Purchased Services (400-500 Series)	7,275		7,275	6,952	323
Supplies and Materials	21,261	(400)	20,861	19,725	1,136
Other Objects	1,055		1,055	1,050	5
Total Undist. Expend. - Other Supp. Serv. Students-Regular	1,209,450	(69,600)	1,139,850	1,115,629	24,221
Undist. Expend. - Other Supp. Serv. Students-Special					
Salaries of Other Professional Staff	994,750	26,700	1,021,450	962,423	59,027
Salaries of Secretarial and Clerical Assistants	111,975	14,600	126,575	125,461	1,114
Other Purchased Professional and Technical Services	98,400		98,400	49,541	48,859
Residential Costs	11,217		11,217	8,405	2,812
Misc. Pur Services (400-500 Series)	69,216		69,216	62,676	6,540
Supplies and Materials	6,459		6,459	1,522	4,937
Total Undist. Expend. - Other Supp. Serv. Students-Special	1,292,017	41,300	1,333,317	1,210,028	123,289
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	83,558	2,000	85,558	85,519	39
Salaries of Other Professional Staff	27,000		27,000	18,360	8,640
Purchased Prof-Educational Services	30,000		30,000		30,000
Other Purch Prof. and Tech. Services	9,000		9,000		9,000
Supplies and Materials	14,700		14,700	12,673	2,027
Total Undist. Expend. - Improvement of Inst. Services	164,258	2,000	166,258	116,552	49,706
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	662,554	3,300	665,854	651,508	14,346
Salaries of Technology Coordinators	90,671		90,671	90,671	
Other Purchased Services (400-500)	32,863	446	33,309	31,747	1,562
Supplies and Materials	471,091	(446)	470,645	457,885	12,760
Other Objects	749		749	660	89
Total Undist. Expend. - Educational Media Serv./Sch. Library	1,257,928	3,300	1,261,228	1,232,471	28,757
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Other Professional Staff		500	500	459	41
Other Purchased Services (400-500 Series)	28,272		28,272	26,786	1,486
Other Objects	340		340		340
Total Undist. Expend. - Instructional Staff Training Serv.	28,612	500	29,112	27,245	1,867
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	494,510	34,800	529,310	527,202	2,108
Legal Services	68,000	6,000	74,000	72,164	1,836
Audit Fees	29,650		29,650	29,250	400
Architectural/Engineering Services	30,000	50,200	80,200	80,109	91
Other Purchased Professional Services	44,000	32,000	76,000	75,944	56
Purchased Technical Services	12,000		12,000	7,340	4,660
Communications/Telephone	36,700	21,000	57,700	53,120	4,580
BOE Other Purchased Services	7,000		7,000	420	6,580
Other Purch Services (400-500 Series)	270,827	(55,162)	215,665	214,977	688
General Supplies	56,103	30,000	86,103	71,536	14,567
Judgements Against The School District	25,000	(25,000)			
Misc. Expenditures		6,500	6,500	3,390	3,110
BOE Membership Dues and Fees	31,500		31,500	23,622	7,878
Total Undist. Expend. - Supp. Serv. - General Administration	1,111,790	93,838	1,205,628	1,159,074	46,554
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,083,140	33,700	1,116,840	1,109,644	7,196
Salaries of Secretarial and Clerical Assistants	611,159	500	611,659	586,899	24,760
Other Purchased Services (400-500 series)	89,552	2,937	92,489	77,280	15,209
Supplies and Materials	112,877	(1,860)	111,017	98,713	12,304
Other Objects	8,854		8,854	8,348	506
Total Undist. Expend. - Support Serv. - School Administration	1,905,582	35,277	1,940,859	1,880,884	59,975

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Support Serv. - Central Services					
Salaries	393,773	(5,500)	388,273	388,098	175
Purchased Professional Services	8,500		8,500	4,950	3,550
Misc. Pur Services (400-500 Series)	19,600	(5,000)	14,600	13,680	920
Supplies and Materials	18,000	14,000	32,000	31,800	200
Miscellaneous Expenditures	2,000		2,000	1,414	586
Total Undist. Expend. - Support Serv. - Central Services	441,873	3,500	445,373	439,942	5,431
Undist. Expend. - Admin Info. Technology					
Information Technology					
Purchased Technical Services	22,000		22,000	17,460	4,540
Total Undist. Expend. - Support Serv. - Administrative	22,000		22,000	17,460	4,540
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	365,694	(26,000)	339,694	339,078	616
Cleaning, Repair and Maintenance Services	226,423	46,000	272,423	268,064	4,359
General Supplies	27,800		27,800	20,051	7,749
Undist. Expend. - Required Maint. for School Facilities	619,917	20,000	639,917	627,193	12,724
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries		1,399,410	1,399,410	1,390,439	8,971
Salaries of Non-Instructional Aides	223,273	32,500	255,773	254,970	803
Cleaning, Repair and Maintenance Services	121,813	257,500	379,313	378,733	580
Other Purchased Property Services	58,900		87,900	86,343	1,557
Insurance	234,950	15,500	250,450	249,905	545
Miscellaneous Purchased Services	5,540		5,540	2,133	3,407
General Supplies	273,960	(3,800)	270,160	269,953	207
Energy (Natural Gas)	448,500	(291,000)	157,500	153,784	3,716
Energy (Electricity)	545,500	200	545,700	489,904	55,796
Energy (Gasoline)	1,467,410	(1,467,410)			
Other Objects	27,341	88,000	115,341	114,616	725
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,407,187	59,900	3,467,087	3,390,780	76,307
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	171,094	(34,000)	137,094	135,661	1,433
Cleaning, Repair and Maintenance Services	59,070	77,000	136,070	135,307	763
General Supplies	56,439	(21,500)	34,939	34,692	247
Undist. Expend. - Care and Upkeep of Grounds	286,603	21,500	308,103	305,660	2,443
Undist. Expend. - Security (266)					
Cleaning, Repair and Maintenance Services	8,940		8,940	5,438	3,502
Undist. Expend. - Security	8,940		8,940	5,438	3,502
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Regular	86,320	(1,100)	85,220	57,083	28,137
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	104,495	9,100	113,595	111,146	2,449
Cleaning, Repair and Maintenance Services	25,000		25,000	22,655	2,345
Contract Services (Between Home & School)-Vendors	256,910	1,000	257,910	256,921	989
Contract Services (Other than Between Home & School)-Vendors	106,844		106,844	100,824	6,020
Contract Services (Sp. Ed. Students)-Vendors	1,100,000	(118,500)	981,500	845,965	135,535
Contract Services - Aid in Lieu Pymts - NonPub Sch.	32,000	10,000	42,000	40,824	1,176
Misc. Purchased Services - Transportation	4,200		4,200	2,181	2,019
Transportation Supplies	37,286		37,286	34,726	2,560
Total Undist. Expend. - Student Transportation Services	1,753,055	(99,500)	1,653,555	1,472,325	181,230
UNALLOCATED BENEFITS (291)					
Social Security Contributions	633,338	(4,629)	628,709	542,421	86,288
Other Retirement Contributions-PERS	675,727	(77,567)	598,160	598,160	
Workmen's Compensation	154,553		154,553	139,202	15,351
Health Benefits	7,896,389	(285,940)	7,610,449	6,547,934	1,062,515
Tuition Reimbursement	200,000		200,000	88,583	111,417
Other Employee Benefits	94,374	4,026	98,400	98,112	288
TOTAL UNALLOCATED BENEFITS	9,654,381	(364,110)	9,290,271	8,014,412	1,275,859
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,121,938	(2,121,938)
On-behalf NCGI Premium (non-budgeted)				70,587	(70,587)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,690,781	(1,690,781)
TOTAL ON-BEHALF CONTRIBUTIONS				3,883,306	(3,883,306)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	9,654,381	(364,110)	9,290,271	11,897,718	(2,607,447)
TOTAL UNDISTRIBUTED EXPENDITURES	27,948,354	(225,579)	27,722,775	29,635,474	(1,912,699)
TOTAL GENERAL CURRENT EXPENSE	50,426,546	2,275	50,428,821	51,318,533	(889,712)

Exhibit C-1

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Equipment					
Undistributed					
School Buses-Reg.	54,000		54,000	46,680	7,320
Total Equipment	<u>54,000</u>		<u>54,000</u>	<u>46,680</u>	<u>7,320</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	6,230		6,230	6,230	
Total Facilities Acquisition and Construction Services	<u>6,230</u>		<u>6,230</u>	<u>6,230</u>	
TOTAL CAPITAL OUTLAY	<u>60,230</u>		<u>60,230</u>	<u>52,910</u>	<u>7,320</u>
TOTAL EXPENDITURES	<u>50,486,776</u>	<u>2,275</u>	<u>50,489,051</u>	<u>51,371,443</u>	<u>(882,392)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(967,841)</u>		<u>(967,841)</u>	<u>2,657,229</u>	<u>3,625,070</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(967,841)</u>		<u>(967,841)</u>	<u>2,657,229</u>	<u>3,625,070</u>
Fund Balance, July 1	<u>5,288,530</u>		<u>5,288,530</u>	<u>5,288,530</u>	
Fund Balance, June 30	<u>4,320,689</u>		<u>4,320,689</u>	<u>7,945,759</u>	<u>3,625,070</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Increase in Capital Reserve:					
Principal				750,000	(750,000)
Interest Deposit to Capital Reserve	60		60		60
Budgeted Fund Balance	<u>(967,901)</u>		<u>(967,901)</u>	<u>1,907,229</u>	<u>4,375,010</u>
	<u>(967,841)</u>		<u>(967,841)</u>	<u>2,657,229</u>	<u>3,625,070</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,316,006	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				2,075,896	
Capital Reserve				1,952,229	
Committed Fund Balance:					
Year-end Encumbrances				420,000	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				32,722	
Unassigned Fund Balance				<u>1,148,906</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>7,945,759</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>54,881</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>7,890,878</u>	

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RAMSEY BOARD OF EDUCATION
Education Jobs Fund - Budget and Actual
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	72,618	2,275	74,893	74,893	-
Total Federal Sources	72,618	2,275	74,893	74,893	-
Total Revenues	72,618	2,275	74,893	74,893	-
EXPENDITURES:					
Education Jobs Fund					
Unallocated Benefits					
Health Benefits	72,618	2,275	74,893	74,893	-
Total Personal Services - Employee Benefits	72,618	2,275	74,893	74,893	-

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	301,469	561,549	863,018	260,260	(602,758)
Federal Sources	829,969	(536,683)	293,286	863,018	569,732
Total Revenues	1,131,438	24,866	1,156,304	1,123,278	(33,026)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	65,000	(33,000)	32,000	32,000	-
Purchased Professional and Technical Services	9,291	27,949	37,240	37,240	-
Other Purchased Services (400-500 series)	618,385	50,693	669,078	669,078	-
General Supplies	6,388	51,695	58,083	58,083	-
Textbooks	48,939	(7,343)	41,596	41,596	-
Total instruction	748,003	89,994	837,997	837,997	-
Support services:					
Personal Services - Employee Benefits	13,000	(6,600)	6,400	6,400	-
Purchased Professional - Educational Services	333,091	(24,070)	309,021	275,995	33,026
Other Purchased Services (400-500 series)	23,620	(23,620)	-	-	-
Supplies and Materials	13,724	(10,838)	2,886	2,886	-
Other Objects	-	-	-	-	-
Total support services	383,435	(65,128)	318,307	285,281	33,026
Total Expenditures	1,131,438	24,866	1,156,304	1,123,278	33,026
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2012

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	54,028,672	1,123,278
Difference - budget to GAAP:			
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).			
		(54,881)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>53,973,791</u>	<u>1,123,278</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	51,371,443	1,123,278
Differences - budget to GAAP		NONE	NONE
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>51,371,443</u>	<u>1,123,278</u>

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SPECIAL REVENUE FUND

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RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B		Title I, Part A	Title II, Part A Teacher & Principal Training & Recruiting	Totals 2012
		2011-12	Preschool			
REVENUES						
State Sources	260,260					260,260
Federal Sources	-	729,741	32,449	40,103	60,725	863,018
Total Revenues	260,260	729,741	32,449	40,103	60,725	1,123,278
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	37,240			32,000	32,000
Purchased Professional and Technical Services	-	637,011	21,633		10,434	37,240
Other Purchased Services (400-500 series)	-	4,773	1,316	40,103	11,891	669,078
General Supplies	-					58,083
Textbooks	41,596					41,596
Total instruction	41,596	679,024	22,949	40,103	54,325	837,997
Support services:						
Personal Services - Employee Benefits	-				6,400	6,400
Purchased Professional - Educational Services	218,664	47,831	9,500			275,995
Supplies and Materials	-	2,886				2,886
Total support services	218,664	50,717	9,500	-	6,400	285,281
Total Expenditures	260,260	729,741	32,449	40,103	60,725	1,123,278
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1b)	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Auxiliary Services, Chapter 192 English as a Second Language	Compensatory Education	Total Carried Forward
REVENUES						
State Sources	106,871	41,596	59,417	2,586	49,790	260,260
Federal Sources	-	-	-	-	-	-
Total Revenues	106,871	41,596	59,417	2,586	49,790	260,260
EXPENDITURES:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	41,596	-	-	-	41,596
Total Instruction	-	41,596	-	-	-	41,596
Support services:						
Personal Services - Employee Benefits	-	-	59,417	2,586	49,790	218,664
Purchased Professional - Educational Services	106,871	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Total support services	106,871	-	59,417	2,586	49,790	218,664
Total Expenditures	106,871	41,596	59,417	2,586	49,790	260,260
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

RAMSEY BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2012

	N.J. Nonpublic Handicapped Services, Chapter 193			Total Carried Forward
	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES				
State Sources	24,602	69,315	12,954	106,871
Federal Sources				-
Total Revenues	24,602	69,315	12,954	106,871
EXPENDITURES:				
Instruction:				
Salaries of Teachers				-
Purchased Professional and Technical Services				-
Other Purchased Services (400-500 series)				-
General Supplies				-
Textbooks				-
Total instruction	-	-	-	-
Support services:				
Personal Services - Employee Benefits				-
Purchased Professional - Educational Services	24,602	69,315	12,954	106,871
Supplies and Materials				-
Total support services	24,602	69,315	12,954	106,871
Total Expenditures	24,602	69,315	12,954	106,871
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-

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CAPITAL PROJECTS FUND

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RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Contribution from Private Sources	-
County Sources - County Grant	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	185
	<hr/>
	185
	<hr/>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
Transfer to Capital Reserve	-
Transfer to Debt Service Fund	185
	<hr/>
	185
	<hr/>

Excess (deficiency) of revenues over (under) expenditures -

Fund balance - beginning

152,984

Fund balance - ending

152,984

Recapitulation:

Unrestricted Fund Balance 152,984

Reconciliation to Governmental Funds Statements (GAAP):

SDA Grant Receivable not Recognized on GAAP Basis

(46,391)

Fund Balance per Governmental Funds

106,593

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	367,522		367,522	367,522
Bond proceeds and transfers	945,536		945,536	945,536
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>1,313,058</u>	<u>-</u>	<u>1,313,058</u>	<u>1,313,058</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	1,302,981		1,302,981	1,302,981
Equipment purchases			-	-
Transfer to Capital Reserve	10,077		10,077	10,077
	<u>1,313,058</u>	<u>-</u>	<u>1,313,058</u>	<u>1,313,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	SP2502324			
Grant Date	8/5/2002			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,313,059.00			
Additional authorized cost				
Revised authorized cost	1,313,059.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date	June 2003			
Revised target completion date	June 2003			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	309,491		309,491	309,491
Bond proceeds and transfers	2,057,660		2,057,660	2,057,660
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>2,367,151</u>	<u>-</u>	<u>2,367,151</u>	<u>2,367,151</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	227,772		227,772	227,772
Land and improvements			-	-
Construction services	2,139,379		2,139,379	2,139,379
Equipment purchases			-	-
Transfer to Capital Reserve			-	-
	<u>2,367,151</u>	<u>-</u>	<u>2,367,151</u>	<u>2,367,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-070-03-1049			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	2,297,470.00			
Additional authorized cost	69,681.00			
Revised authorized cost	2,367,151.00			
Percentage increase over original authorized cost	0.03			
Percentage completion	100%			
Original target completion date	June 2005			
Revised target completion date	June 2005			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,194,641		1,194,641	1,194,641
Bond proceeds and transfers	2,303,411		2,303,411	2,303,411
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>3,498,052</u>	<u>-</u>	<u>3,498,052</u>	<u>3,498,052</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	463,939		463,939	463,939
Land and improvements			-	-
Construction services	3,034,113		3,034,113	3,034,113
Equipment purchases			-	-
Transfer to Capital Reserve			-	-
	<u>3,498,052</u>	<u>-</u>	<u>3,498,052</u>	<u>3,498,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-055-03-1048			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	3,484,745.00			
Additional authorized cost	13,307.00			
Revised authorized cost	3,498,052.00			
Percentage increase over original authorized cost	0.00			
Percentage completion	100%			
Original target completion date	October 2006			
Revised target completion date	October 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	552,603		552,603	552,603
Bond proceeds and transfers	4,671,696		4,671,696	4,671,696
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>5,224,299</u>	<u>-</u>	<u>5,224,299</u>	<u>5,224,299</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	424,331		424,331	424,331
Land and improvements			-	-
Construction services	4,787,641		4,787,641	4,799,968
Equipment purchases			-	-
	<u>5,211,972</u>	<u>-</u>	<u>5,211,972</u>	<u>5,224,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,327</u>	<u>-</u>	<u>12,327</u>	<u>-</u>
Additional project information:				
Project number	4310-050-03-1051			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	4,542,187.00			
Additional authorized cost	682,112.00			
Revised authorized cost	5,224,299.00			
Percentage increase over original authorized cost	0.15			
Percentage completion	100%			
Original target completion date	September 2006			
Revised target completion date	September 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	3,706,560		3,706,560	3,706,560
Bond proceeds and transfers	14,401,458		14,401,458	14,401,458
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>18,108,018</u>	<u>-</u>	<u>18,108,018</u>	<u>18,108,018</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,486,120		1,486,120	1,486,120
Land and improvements			-	-
Construction services	16,621,898		16,621,898	16,621,898
Equipment purchases			-	-
Transfer to Capital Reserve			-	-
	<u>18,108,018</u>	<u>-</u>	<u>18,108,018</u>	<u>18,108,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	4310-055-03-1050			
Grant Date	9/23/2003			
Bond authorization date	12/11/2003			
Bonds authorized	23,434,000.00			
Bonds issued	23,434,000.00			
Original authorization cost	18,873,118.00			
Additional authorized cost	(765,100.00)			
Revised authorized cost	18,108,018.00			
Percentage increase over original authorized cost	(0.04)			
Percentage completion	100%			
Original target completion date	May 2006			
Revised target completion date	May 2006			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Building Partial Roof Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	98,116		98,116	98,116
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	200,574		200,574	200,574
Transfers from Capital Outlay			-	-
	<u>298,690</u>	<u>-</u>	<u>298,690</u>	<u>298,690</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	274,010		274,010	298,690
Equipment purchases			-	-
Transfer to Capital Reserve			-	-
	<u>274,010</u>	<u>-</u>	<u>274,010</u>	<u>298,690</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,680</u>	<u>-</u>	<u>24,680</u>	<u>-</u>
Additional project information:				
Project number	4310-055-05-1000-NE			
Grant Date	7/29/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	298,690.00			
Additional authorized cost				
Revised authorized cost	298,690.00			
Percentage increase over original authorized cost	-			
Percentage completion	92%			
Original target completion date	August 2007			
Revised target completion date	August 2007			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School PEC Sprinkler Systems
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	41,384		41,384	41,384
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	62,076		62,076	62,076
Transfers from Capital Outlay			-	-
	<u>103,460</u>	<u>-</u>	<u>103,460</u>	<u>103,460</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	89,000		89,000	103,460
Equipment purchases			-	-
	<u>89,000</u>	<u>-</u>	<u>89,000</u>	<u>103,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,460</u>	<u>-</u>	<u>14,460</u>	<u>-</u>
Additional project information:				
Project number	1310-050-090-1001-G02			
Grant Date	6/19/2009			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	103,460.00			
Additional authorized cost				
Revised authorized cost	103,460.00			
Percentage increase over original authorized cost	-			
Percentage completion	86%			
Original target completion date	October 2010			
Revised target completion date	October 2010			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Lighting of Existing Artificial Turf Field
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers			-	-
Contribution from Private Sources	91,392		91,392	91,392
Local Sources - County Grant	101,042		101,042	101,042
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>192,434</u>	<u>-</u>	<u>192,434</u>	<u>192,434</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	192,434		192,434	192,434
Equipment purchases			-	-
	<u>192,434</u>	<u>-</u>	<u>192,434</u>	<u>192,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	OSTFMP-RAMBOE-09-01			
Grant Date	June 22, 2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	192,434.00			
Additional authorized cost				
Revised authorized cost	192,434.00			
Percentage increase over original authorized cost	-			
Percentage completion	100%			
Original target completion date	June 29, 2011			
Revised target completion date	June 29, 2011			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Partial Roof Replacement and HVAC Upgrades
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	127,108		127,108	127,108
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	190,662		190,662	190,662
Transfers from Capital Outlay			-	-
	<u>317,770</u>	<u>-</u>	<u>317,770</u>	<u>317,770</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	-
Land and improvements			-	-
Construction services	216,253		216,253	317,770
Equipment purchases			-	-
	<u>216,253</u>	<u>-</u>	<u>216,253</u>	<u>317,770</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,517</u>	<u>-</u>	<u>101,517</u>	<u>-</u>
Additional project information:				
Project number	4310-050-10-1001-G0PB			
Grant Date	9/1/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	317,770.00			
Additional authorized cost				
Revised authorized cost	317,770.00			
Percentage increase over original authorized cost	-			
Percentage completion	68%			
Original target completion date	January 1, 2011			
Revised target completion date	January 1, 2011			

RAMSEY BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2012

Project Title/Issue	Date	Appropriations	Expenditures to Date		Operating Transfer to Capital Reserve	Unexpended Balance June 30, 2012
			Prior Years	Current Year		
Wesley D. Tisdale Elementary School Building Additions	August 5, 2002	1,313,058	1,313,058			-
Mary A. Hubbard Elementary School Building Additions and Renovations	September 23, 2003	2,367,151	2,367,151			-
Eric S. Smith Middle School Building Additions and Renovations	September 23, 2003	3,498,052	3,498,052			-
Ramsey High School Building Additions and Renovations	September 23, 2003	5,224,299	5,211,972			12,327
John Y. Dater Elementary School Additions, Renovations and Construction of New School	September 23, 2003	18,108,018	18,108,018			-
Ramsey High School Building Partial Roof Replacement	July 29, 2005	298,690	274,010			24,680
Ramsey HS PEC Sprinkler Systems	June 19, 2009	103,460	89,000			14,460
Ramsey High School Lighting of Existing Artificial Turf Field	June 22, 2010	192,434	192,434			-
Ramsey High School Partial Roof Replacement and HVAC Upgrades	September 1, 2010	317,770	216,253			101,517
		<u>31,422,932</u>	<u>31,269,948</u>	<u>-</u>		<u>152,984</u>
Analysis						
Project Balance - June 30, 2012						
Unfunded Authorizations						
Fund Balance/(Deficit) - June 30, 2012						
						<u>152,984</u>

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PROPRIETARY FUNDS

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Exhibit G-1

RAMSEY BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	172,091	172,091
Accounts receivable:		
State	398	398
Federal	4,799	4,799
Interfund - General Fund	67,309	67,309
Other	33,717	33,717
Inventories	2,250	2,250
Total current assets	<u>280,564</u>	<u>280,564</u>
Noncurrent assets:		
Capital assets:		
Equipment	607,413	607,413
Less accumulated depreciation	<u>(425,525)</u>	<u>(425,525)</u>
Total capital assets (net of accumulated depreciation)	<u>181,888</u>	<u>181,888</u>
Total assets	<u><u>462,452</u></u>	<u><u>462,452</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	<u>41,211</u>	<u>41,211</u>
Total current liabilities	<u>41,211</u>	<u>41,211</u>
Total liabilities	<u>41,211</u>	<u>41,211</u>
NET ASSETS		
Invested in capital assets net of related debt	181,888	181,888
Unrestricted	<u>239,353</u>	<u>239,353</u>
Total net assets	<u><u>421,241</u></u>	<u><u>421,241</u></u>

RAMSEY BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2012

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	267,985	267,985
Daily sales - non-reimbursable programs	316,350	316,350
Special functions	107,843	107,843
Total operating revenues	<u>692,178</u>	<u>692,178</u>
Operating expenses:		
Cost of sales	295,014	295,014
Salaries	272,060	272,060
Benefits	73,128	73,128
Supplies and materials	27,457	27,457
Purchased property services	77,445	77,445
Cleaning repair & maintenance	45,010	45,010
Depreciation	19,082	19,082
Total Operating Expenses	<u>809,196</u>	<u>809,196</u>
Operating income (loss)	<u>(117,018)</u>	<u>(117,018)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	5,120	5,120
Federal sources:		-
National school lunch program	61,778	61,778
Food distribution program	30,624	30,624
Total nonoperating revenues (expenses)	<u>97,522</u>	<u>97,522</u>
Income (loss) before contributions & transfers	<u>(19,496)</u>	<u>(19,496)</u>
Total net assets—beginning	<u>440,737</u>	<u>440,737</u>
Total net assets—ending	<u><u>421,241</u></u>	<u><u>421,241</u></u>

RAMSEY BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2012

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	669,497	669,497
Payments to suppliers	(771,185)	(771,185)
Net cash provided by (used for) operating activities	(101,688)	(101,688)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Sources	65,346	65,346
Net cash provided by (used for) non-capital financing activities	65,346	65,346
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(35,776)	(35,776)
Net cash provided by (used for) capital and related financing activities	(35,776)	(35,776)
Net increase (decrease) in cash and cash equivalents	(72,118)	(72,118)
Balances—beginning of year	244,209	244,209
Balances—end of year	172,091	172,091
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(117,018)	(117,018)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
(Increase) decrease in accounts receivable	(33,717)	(33,717)
Depreciation and net amortization	19,082	19,082
Food Distribution Program	30,624	30,624
(Increase) decrease in inventories	161	161
Increase (decrease) in accounts payable	(820)	(820)
Total adjustments	15,330	15,330
Net cash provided by (used for) operating activities	(101,688)	(101,688)

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FIDUCIARY FUND

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RAMSEY BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	220,687	52,414	867,679
Interfund Receivable	13,142		
Total assets	<u>233,829</u>	<u>52,414</u>	<u>867,679</u>
LIABILITIES			
Payable to student groups			630,522
Payroll deductions and withholdings			224,015
Contributions Pledged to Specific Awards		13,705	
Due to State of NJ	12,282		
Interfund Payable			13,142
Total liabilities	<u>12,282</u>	<u>13,705</u>	<u>867,679</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>221,547</u>		
Reserved for scholarships		<u>38,709</u>	

RAMSEY BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	Unemployment Compensation Trust Fund	Private Purpose Funds
ADDITIONS		
Contributions:		
Payroll withholdings	45,659	
Donations		60
Total Contributions	<u>45,659</u>	<u>60</u>
Investment earnings:		
Interest	71	4
Net investment earnings	<u>71</u>	<u>4</u>
Total additions	<u>45,730</u>	<u>64</u>
DEDUCTIONS		
Unemployment Claims	87,085	
Scholarships awarded		6,439
Total deductions	<u>87,085</u>	<u>6,439</u>
Change in net assets	(41,355)	(6,375)
Net assets—beginning of the year	<u>262,902</u>	<u>45,084</u>
Net assets—end of the year	<u><u>221,547</u></u>	<u><u>38,709</u></u>

RAMSEY BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Elementary Schools:				
Wesley D. Tisdale School	5,256	26,771	27,477	4,550
Mary A. Hubbard School	1,027	28,549	27,821	1,755
John Y. Dater School	2,463	10,906	11,252	2,117
	<u>8,746</u>	<u>66,226</u>	<u>66,550</u>	<u>8,422</u>
Total Elementary Schools				
Middle School:				
Eric S. Smith School	33,504	90,428	100,544	23,388
	<u>33,504</u>	<u>90,428</u>	<u>100,544</u>	<u>23,388</u>
Total Middle Schools				
High School:				
High School	187,110	353,884	352,117	188,877
	<u>187,110</u>	<u>353,884</u>	<u>352,117</u>	<u>188,877</u>
Total High Schools				
Athletic Departments:				
Athletic Department	9	105,380	105,280	109
	<u>9</u>	<u>105,380</u>	<u>105,280</u>	<u>109</u>
Total Athletic Department				
Adult Education:				
Due to Nonsupportive Enrichment Adult Program	318,882	1,393,176	1,302,332	409,726
	<u>318,882</u>	<u>1,393,176</u>	<u>1,302,332</u>	<u>409,726</u>
Total Adult Education				
Total All Schools	<u>\$ 548,251</u>	<u>2,009,094</u>	<u>1,926,823</u>	<u>630,522</u>

RAMSEY BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2012</u>
Net Payroll	(1,037)	20,064,077	20,062,852	188
Payroll Deductions and Withholdings	195,701	14,126,424	14,098,298	223,827
Interfund Payable - UCI	<u>12,420</u>	<u>13,004</u>	<u>12,282</u>	<u>13,142</u>
	<u>207,084</u>	<u>34,203,505</u>	<u>34,173,432</u>	<u>237,157</u>

LONG-TERM DEBT

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RAMSEY BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
June 30, 2012

Issue	Date of Loan	Amount of Loan	Principal Payment		Interest Rate	Balance, June 30, 2011	Issued	Retired	Balance, June 30, 2012
			Date	Amount					
School Improvements	May 15, 2002	6,120,000	7/15/2012	630,000	5.00%	3,725,000		3,095,000	630,000
						3,725,000	-	3,095,000	630,000
School Improvements	December 15, 2003	23,434,000	1/15/13	1,065,000	4.00%	17,444,000		15,269,000	2,175,000
			1/15/14	1,110,000	4.00%				
Refunding Bond	April 4, 2012	16,700,000	1/15/13	230,000	2.00%		16,700,000		16,700,000
			1/15/14	705,000	2.00%				
			1/15/15	1,850,000	2.00%				
			1/15/16	1,850,000	2.00%				
			1/15/17	1,865,000	3.00%				
			1/15/18	1,310,000	3.00%				
			1/15/19	1,355,000	3.00%				
			1/15/20	1,395,000	3-4%				
			1/15/21	1,455,000	3.000%				
			1/15/22	1,500,000	4.00%				
			1/15/23	1,560,000	4.00%				
			1/15/24	1,625,000	5.00%				
						-	16,700,000	-	16,700,000
						\$ 21,169,000	16,700,000	18,364,000	19,505,000
						Cash \$ 1,650,000			
						Refunding Bond 16,714,000			
						\$ 18,364,000			

RAMSEY BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	2,556,822		2,556,822	2,556,822	-
Total - Local Sources	2,556,822	-	2,556,822	2,556,822	-
Total Revenues	2,556,822	-	2,556,822	2,556,822	-
EXPENDITURES:					
Regular Debt Service:					
Interest	926,167		926,167	926,167	-
Redemption of Principal	1,650,000		1,650,000	1,650,000	-
Total Regular Debt Service	2,576,167	-	2,576,167	2,576,167	-
Total expenditures	2,576,167	-	2,576,167	2,576,167	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,345)	-	(19,345)	(19,345)	-
Other Financing Sources:					
Operating Transfers In:					
Premium on Note Issued				875	875
Proceeds from Refunding Bond Issuance				3,370	3,370
Interest Earned in Capital Project Fund				185	185
Total Other Financing Sources	-	-	-	4,430	4,430
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(19,345)	-	(19,345)	(14,915)	4,430
Fund Balance, July 1	22,947		22,947	22,947	
Fund Balance, June 30	3,602	-	3,602	8,032	4,430
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,345)		(19,345)	(19,345)	-
Budgeted Fund Balance					
Premium on Note				875	875
Proceeds from Refunding Bond Issuance				3,370	3,370
Interest Earned in Capital Project Fund				185	185
	(19,345)	-	(19,345)	(14,915)	4,430

STATISTICAL SECTION

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

J-14 to J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

Ramsey Board of Education
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 6,155,203	\$ 9,885,447	\$ 5,532,794	\$ 12,143,452	\$ 13,530,024	\$ 13,954,258	\$ 14,217,638	\$ 15,273,557	\$ 14,628,397
Restricted	28,331,405	21,141,355	7,451,798	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478
Unrestricted	(23,500,500)	(18,477,198)	(74,303)	132,624	(134,265)	(450,212)	(264,084)	(165,952)	(17,482)
Total governmental activities net assets	\$ 10,986,108	\$ 12,549,604	\$ 12,910,289	\$ 14,775,515	\$ 15,122,999	\$ 16,054,072	\$ 17,463,677	\$ 19,483,171	\$ 21,522,393
Business-type activities									
Invested in capital assets, net of related debt	\$ 15,917	\$ 13,179	\$ 11,200	\$ 182,956	\$ 182,951	\$ 160,821	\$ 142,242	\$ 172,449	\$ 181,888
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	130,068	138,095	167,834	230,380	269,281	297,565	290,411	268,288	239,353
Total business-type activities net assets	\$ 145,985	\$ 151,274	\$ 179,034	\$ 413,336	\$ 452,232	\$ 458,386	\$ 432,653	\$ 440,737	\$ 421,241
District-wide									
Invested in capital assets, net of related debt	\$ 6,171,120	\$ 9,898,626	\$ 5,543,994	\$ 12,326,408	\$ 13,712,975	\$ 14,115,079	\$ 14,359,880	\$ 15,446,006	\$ 14,810,285
Restricted	28,331,405	21,141,355	7,451,798	2,499,439	1,727,240	2,550,026	3,510,123	4,375,566	6,911,478
Unrestricted	(23,370,432)	(18,339,103)	93,531	363,004	135,016	(152,647)	26,327	102,336	221,871
Total district net assets	\$ 11,132,093	\$ 12,700,878	\$ 13,089,323	\$ 15,188,851	\$ 15,575,231	\$ 16,512,458	\$ 17,896,330	\$ 19,923,908	\$ 21,943,634

Source: CAFR Schedule A-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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Ramsey Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,					2006	2007	2008	2009	2010	2011	2012
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses												
Governmental activities:												
Instruction												
Regular	\$ 15,129,994	\$ 16,031,506	\$ 17,018,385	\$ 18,031,316	\$ 18,838,009	\$ 19,400,100	\$ 21,022,394	\$ 21,340,017	\$ 21,268,865			
Special education	3,825,120	4,139,680	4,679,258	5,403,849	5,625,028	5,811,653	5,783,787	4,919,294	4,590,023			
Other special education	1,054,325	1,009,161	1,107,254	865,571	1,208,876	1,237,458	1,044,853	842,159	925,934			
Other instruction	774,213	808,374	846,843	930,976	973,365	1,046,027	1,046,586	1,023,763	1,055,248			
Support Services:												
Tuition	2,307,927	2,934,020	2,340,361	2,175,810	2,729,687	2,516,482	1,943,016	2,758,946	2,988,157			
Student & instruction related services	4,950,260	4,962,306	6,070,875	6,122,216	6,303,710	6,910,938	7,041,305	7,203,833	7,124,675			
General administrative services	1,957,986	1,420,368	1,322,446	1,346,644	1,118,308	1,500,420	1,114,013	1,239,011	1,295,683			
School administrative services	1,162,769	1,816,910	2,243,484	2,211,433	2,232,781	2,397,196	2,152,701	2,275,194	2,320,494			
Central services	-	353,886	414,089	369,167	472,582	492,412	513,877	533,362	540,506			
Administrative information tech.	-	15,500	16,000	49,956	16,980	17,460	17,460	17,460	17,460			
Business administrative services	464,538	-	-	-	-	-	-	-	-			
Plant operations and maintenance	3,188,947	3,525,517	3,866,368	4,256,897	4,388,776	4,196,998	4,319,354	4,518,777	4,837,580			
Pupil transportation	1,296,040	1,470,713	1,500,168	1,577,582	1,775,989	1,702,849	1,716,737	1,635,220	1,515,917			
Unallocated Benefits	2,924,179	3,103,813	3,602,241	5,059,233	5,144,653	3,230,696	3,268,891	3,205,691	4,082,254			
Capital outlay - non-depreciable	2,416,980	5,802	34,563	7,753	324,216	548	-	17,175	6,230			
Interest on long-term debt	859,741	1,331,358	1,172,386	1,146,172	1,224,900	1,207,941	1,074,845	967,729	630,270			
Unallocated depreciation	643,641	647,409	647,409	1,382,205	1,350,633	1,403,024	1,394,350	1,333,946	1,215,320			
Capital lease obligations and amortization	-	-	-	-	-	-	-	-	-			
Total governmental activities expenses	42,956,660	43,576,323	46,882,130	50,936,780	53,728,493	53,072,202	53,456,169	53,831,577	55,619,099			
Business-type activities:												
Food service	715,932	749,606	719,793	699,586	751,601	703,250	787,647	785,738	809,196			
Child Care	-	-	-	-	-	-	-	-	-			
Total business-type activities expense	715,932	749,606	719,793	699,586	751,601	703,250	787,647	785,738	809,196			
Total district expenses	\$ 43,672,592	\$ 44,325,929	\$ 47,601,923	\$ 51,636,366	\$ 54,480,094	\$ 53,775,452	\$ 54,243,816	\$ 54,617,315	\$ 56,428,295			
Program Revenues												
Governmental activities:												
Charges for services:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Instruction (tuition)	-	-	-	-	-	-	-	-	-			
Pupil transportation	-	-	-	-	-	-	-	-	-			
Business and other support services	-	-	-	-	-	-	-	-	-			
Operating grants and contributions	818,925	927,115	938,724	1,069,304	1,107,207	1,172,014	1,810,557	1,178,123	1,123,278			
Capital grants and contributions	-	-	-	-	-	-	35,600	-	-			
Total governmental activities program revenues	818,925	927,115	938,724	1,069,304	1,107,207	1,172,014	1,846,157	1,178,123	1,123,278			

Ramsey Board of Education
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,		2007	2008	2009	2010	2011	2012
	2004	2005	2006					
Business-type activities:								
Changes for services	685,051	703,683	689,269	672,938	691,339	631,450	709,350	692,178
Food service	-	-	-	-	-	-	-	-
Child care	-	-	-	-	-	-	-	-
Operating grants and contributions	55,170	51,212	58,284	64,139	74,103	75,486	84,472	97,522
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	740,221	754,895	747,553	737,077	765,442	706,936	793,822	789,700
Total district program revenues	\$ 1,559,146	\$ 1,682,010	\$ 1,686,277	\$ 1,806,381	\$ 1,872,649	\$ 1,878,950	\$ 1,971,945	\$ 1,912,978
Net (Expense)/Revenue								
Governmental activities	\$ (42,137,735)	\$ (42,649,208)	\$ (45,943,406)	\$ (49,867,476)	\$ (52,621,286)	\$ (51,900,188)	\$ (52,653,454)	\$ (54,495,821)
Business-type activities	24,289	5,289	27,760	37,491	13,841	3,686	8,084	(19,496)
Total district-wide net expense	\$ (42,113,446)	\$ (42,643,919)	\$ (45,915,646)	\$ (49,829,985)	\$ (52,607,445)	\$ (51,896,502)	\$ (52,645,370)	\$ (54,515,317)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 32,911,133	\$ 34,181,499	\$ 36,109,734	\$ 39,011,486	\$ 40,527,656	\$ 41,700,559	\$ 46,159,075	\$ 46,954,695
Taxes levied for debt service	765,527	2,553,451	2,398,810	2,190,293	2,305,310	2,354,723	2,577,389	2,556,822
Unrestricted grants and contributions	5,118,736	5,306,493	5,712,838	7,239,716	7,188,589	5,716,800	5,241,212	5,957,151
Tuition received	1,646,353	1,616,382	1,573,144	1,667,528	1,330,514	1,726,885	1,547,116	1,510,925
Transportation Fees	31,727	28,995	26,951	13,301	14,081	23,916	22,297	24,562
Payments in lieu of taxes	-	-	-	-	-	-	-	-
Investment earnings	107,453	394,818	418,238	459,974	168,198	68,529	51,977	185
Miscellaneous income	82,936	131,066	64,376	121,476	52,217	876,956	357,943	33,214
State aid - State Facilities Grant	5,763,295	-	-	98,116	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Total governmental activities	46,427,160	44,212,704	46,304,091	50,801,890	51,586,565	52,468,368	54,672,948	56,535,043
Business-type activities:								
Investment earnings	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	-
Total district-wide	\$ 46,427,160	\$ 44,212,704	\$ 46,304,091	\$ 50,801,890	\$ 51,586,565	\$ 52,468,368	\$ 54,672,948	\$ 56,535,043
Change in Net Assets								
Governmental activities	\$ 4,289,425	\$ 1,563,496	\$ 360,685	\$ 934,414	\$ (1,034,721)	\$ 568,180	\$ 2,019,494	\$ 2,039,222
Business-type activities	24,289	5,289	27,760	37,491	13,841	3,686	8,084	(19,496)
Total district	\$ 4,313,714	\$ 1,568,785	\$ 388,445	\$ 971,905	\$ (1,020,880)	\$ 571,866	\$ 2,027,578	\$ 2,019,726

Source: CAFR Schedule A-2

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Ramsey Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 908,334	\$ 1,246,660	\$ 1,174,224	\$ 1,624,145	\$ 1,390,115	\$ 2,480,607	\$ 3,445,095		
Unreserved	1,272,408	1,595,971	1,142,449	1,311,080	1,130,015	822,014	1,016,861	4,118,464	6,344,131
Restricted								127,562	420,000
Committed								1,042,504	32,722
Assigned									1,094,025
Unassigned									
Total general fund	<u>\$ 2,180,742</u>	<u>\$ 2,842,631</u>	<u>\$ 2,316,673</u>	<u>\$ 2,935,225</u>	<u>\$ 2,520,130</u>	<u>\$ 3,302,621</u>	<u>\$ 4,461,956</u>	<u>\$ 5,288,530</u>	<u>\$ 7,890,878</u>
All Other Governmental Funds									
Reserved	\$ 3,248,150	\$ 14,842,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:									
Special revenue fund	-	-	-	-	-	-	-	-	-
Capital projects fund	24,091,894	4,666,713	5,700,341	315,548	47,084	47,084	45,683	106,593	106,593
Debt service fund	83,027	385,670	577,233	559,746	290,041	22,335	19,345	22,947	8,032
Permanent fund	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 27,423,071</u>	<u>\$ 19,894,695</u>	<u>\$ 6,277,574</u>	<u>\$ 875,294</u>	<u>\$ 337,125</u>	<u>\$ 69,419</u>	<u>\$ 65,028</u>	<u>\$ 129,540</u>	<u>\$ 114,625</u>

Source: CAFR Schedule B-1

Note: GASB requires that ten years of statistical data be presented. However, since fiscal year 2003 was the first year of GASB 34 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 28,495,910	\$ 33,676,660	\$ 36,734,950	\$ 38,508,544	\$ 41,201,779	\$ 42,832,966	\$ 44,055,282	\$ 45,799,326	\$ 48,736,464	\$ 49,511,517
Tuition charges	1,854,031	1,646,353	1,616,382	1,573,144	1,667,528	1,330,514	1,726,885	1,690,798	1,547,116	1,510,925
Transportation fees	1,753	31,727	28,995	26,951	13,301	14,081	23,916	15,830	22,297	24,562
Interest earned	64,856	24,426	92,175	143,649	174,815	163,313	68,529	39,893	51,977	185
Other Local Revenue	67,073	82,936	131,066	64,376	121,476	52,217	876,956	232,558	357,943	33,214
State sources	3,561,618	5,406,110	5,637,143	6,032,572	7,552,265	7,513,801	6,064,521	5,572,289	4,217,899	5,635,968
Federal sources	412,534	531,551	596,465	618,990	756,755	781,995	824,293	1,515,080	917,375	941,950
Total revenue	34,457,775	41,399,763	44,837,176	46,968,226	51,487,919	52,688,887	53,640,382	54,865,774	55,851,071	57,638,321
Expenditures										
Instruction										
Regular Instruction	13,249,353	13,075,099	13,718,693	14,455,060	15,020,131	15,835,712	16,191,526	17,192,653	17,247,762	17,213,992
Special education instruction	2,902,873	3,268,668	3,502,483	3,988,999	4,490,278	4,681,491	4,786,241	4,630,808	3,912,539	3,654,051
Other special instruction	503,740	897,620	850,803	926,447	839,054	1,001,460	1,015,953	865,382	682,334	777,329
Other instruction	632,700	684,269	707,449	738,003	793,637	838,039	894,799	842,086	849,802	875,684
Support Services:										
Tuition	2,476,250	2,307,927	2,267,634	2,340,361	2,175,810	2,353,407	2,516,482	1,945,016	2,758,946	2,994,928
Attendance and social work services		37,879	37,879	40,556	41,774	43,168	44,177	45,225	44,137	74,196
Health services		293,961	275,211	298,739	300,730	333,112	353,605	381,027	401,583	408,930
Student & instruction related services	3,399,138	4,021,384	4,572,879	4,990,482	5,128,089	5,429,815	5,576,927	5,512,243	5,674,540	5,246,227
General administrative services	980,873	1,090,210	1,132,068	1,237,337	1,247,229	1,022,135	1,394,797	989,238	1,110,822	1,159,074
School Administrative services	1,534,432	1,699,708	1,756,572	1,925,361	1,883,035	1,882,569	2,003,181	1,750,632	1,843,531	1,880,884
Central services			353,886	351,014	369,167	395,437	411,991	418,446	432,114	439,942
Administrative information tech			15,500	16,000	49,956	16,980	17,460	17,460	17,460	17,460
Business administrative services	373,076	406,463								
Plant operations and maintenance	2,688,862	2,914,618	3,194,670	3,511,685	3,829,041	3,990,836	3,794,057	3,939,191	3,992,074	4,329,071
Pupil transportation	1,016,462	1,274,149	1,442,881	1,469,777	1,577,582	1,742,765	1,665,714	1,673,943	1,592,399	1,472,325
Unallocated employee benefits	3,014,526	4,344,339	4,787,102	5,379,646	5,774,215	6,274,272	6,563,083	7,620,214	8,113,738	8,014,412
TPAF Pension / Social Security	1,286,054	2,626,141	2,953,638	3,386,324	4,865,451	4,897,722	3,195,812	3,233,976	3,248,520	3,883,306
Special Schools										
Capital outlay	748,421	549,652	52,488	39,583	91,321	55,752	59,913	92,249	460,295	52,910
Special Revenue Fund										
Debt service:										
Principal	355,000	415,000	1,180,000	1,235,000	1,295,000	1,355,000	1,405,000	1,460,000	1,580,000	1,650,000
Interest and other charges	447,485	356,728	1,373,451	1,246,836	1,197,939	1,224,900	1,234,879	1,101,041	997,389	926,167
Total expenditures	35,609,245	40,263,815	44,175,287	47,577,210	50,971,439	53,378,572	53,125,597	53,710,830	54,959,985	55,070,888
Excess (Deficiency) of revenues over (under) expenditures	(1,151,470)	1,135,948	661,889	(608,984)	516,480	(689,685)	514,785	1,154,944	891,086	2,587,433

Ramsey Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing sources (uses)										
Bond proceeds				274,589						
Transfers in		83,027	302,643		285,159		17,450	74,048	192,564	185
Transfers out		-	-	-	(200,574)	4,885	(17,450)	(74,048)	(192,564)	(185)
Total other financing sources (uses)	-	83,027	302,643	274,589	84,585	4,885	-	-	-	-
Net change in fund balances	\$ (1,151,470)	\$ 1,218,975	\$ 964,532	\$ (334,395)	\$ 601,065	\$ (684,800)	\$ 514,785	\$ 1,154,944	\$ 891,086	\$ 2,587,433
Debt service as a percentage of noncapital expenditures	2.3%	1.9%	5.8%	5.2%	4.9%	4.8%	5.0%	4.8%	4.7%	4.7%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.
Source: CAFR Schedule B-2

Ramsey Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	Transportation		Tuition Revenue	Rentals	Refund of Prior year Expenses		Cancellation of Prior Year Payable	Misc.	Total
		Fees								
2003	47,490	14,740		1,835,151	35,868				36,802	1,970,051
2004	24,426	31,727		1,646,353	27,844				55,092	1,785,442
2005	92,175	28,995		1,616,382	23,730	32,508			74,828	1,868,618
2006	143,649	26,951		1,573,144	23,670				40,706	1,808,120
2007	174,815	13,301		1,667,528		23,329			98,147	1,977,120
2008	163,313	14,081		1,330,514		20,668			31,549	1,560,125
2009	66,204	23,916		1,726,885		191,583	613,138		57,110	2,678,836
2010	37,998	15,830		1,690,798		95,738			136,820	1,977,184
2011	50,075	22,297		1,547,116		70,100			93,709	1,783,297
2012		24,562		1,510,925					28,969	1,564,456

Source: District Records

Ramsey Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2003	\$ 38,890,100	\$2,086,219,600			\$ 420,974,500	\$ 126,977,100	\$ 15,141,500	\$2,688,202,800	\$ -	\$ 10,659,709	\$2,698,862,509	1.125	\$2,288,666,256	117.92%
2004	\$ 41,065,700	\$2,098,292,300	\$ 567,500	\$ 2,300	\$ 420,091,200	\$ 126,605,100	\$ 15,103,500	\$2,701,727,600	\$ -	\$ 10,713,396	\$2,712,440,996	1.286	\$2,539,910,325	106.79%
2005	\$ 39,670,800	\$2,116,832,400			\$ 419,457,400	\$ 124,301,100	\$ 15,103,500	\$2,715,365,200	\$ -	\$ 10,201,272	\$2,725,566,472	1.377	\$2,874,999,400	94.80%
2006	\$ 39,249,900	\$2,141,733,500			\$ 421,916,900	\$ 123,671,100	\$ 14,643,500	\$2,741,214,900	\$ -	\$ 8,139,736	\$2,749,354,636	1.447	\$3,253,420,657	84.51%
2007	\$ 35,772,800	\$2,155,684,500			\$ 432,632,100	\$ 123,671,100	\$ 14,643,500	\$2,762,404,000	\$ -	\$ 8,041,552	\$2,770,445,552	1.555	\$3,813,894,795	72.64%
2008	\$ 46,368,500	\$2,174,431,500			\$ 434,209,900	\$ 116,661,200	\$ 14,643,500	\$2,786,314,600	\$ -	\$ 7,737,523	\$2,794,052,123	1.556	\$3,562,143,515	78.44%
2009	\$ 43,098,900	\$2,206,335,300			\$ 438,538,400	\$ 110,771,900	\$ 14,643,500	\$2,807,409,000	\$ -	\$ 8,802,794	\$2,816,211,794	1.599	\$3,808,264,765	73.95%
2010	\$ 39,244,200	\$2,217,284,100	\$ 787,700	\$ 60,600	\$ 437,542,800	\$ 110,271,900	\$ 14,643,500	\$2,819,834,800	\$ -	\$ 8,679,688	\$2,828,514,488	1.671	\$3,820,525,750	74.03%
2011	\$ 36,287,300	\$2,227,238,000	\$ 787,700	\$ 60,600	\$ 443,851,600	\$ 109,771,900	\$ 14,643,500	\$2,832,640,600	\$ -	\$ 8,679,688	\$2,841,320,288	1.729	\$3,702,343,039	76.74%
2012	\$ 30,368,200	\$2,232,674,400	\$ 787,700	\$ 60,600	\$ 443,870,300	\$ 116,220,700	\$ 14,643,500	\$2,838,625,100	\$ -	\$ 9,447,502	\$2,848,072,602	1.748	\$3,532,621,934	80.62%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

^a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies^b Tax rates are per \$100

Exhibit J-7

**Ramsey Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years**

(rate per \$100 of assessed value)

Fiscal Year Ended Dec. 31,	Ramsey Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General		Total Direct	Borough of Ramsey	Bergen County	
	Obligation					
	Debt Service ^b					
	Basic Rate ^a					
2003	1.101	0.024	1.125	0.414	0.181	1.72
2004	1.263	0.023	1.286	0.428	0.196	1.91
2005	1.307	0.070	1.377	0.453	0.210	2.04
2006	1.379	0.068	1.447	0.477	0.218	2.14
2007	0.000	0.000	1.518	0.499	0.233	2.25
2008	1.496	0.059	1.555	0.519	0.256	2.33
2009	1.540	0.059	1.599	0.539	0.260	2.40
2010	1.578	0.093	1.671	0.558	0.265	2.49
2011	1.637	0.092	1.729	0.562	0.271	2.56
2012	1.657	0.091	1.748	0.569	0.272	2.59

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

**Ramsey Board of Education
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2012				2002			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
Gabrellian Associates	\$ 56,815,800	1	2.00%		\$ 60,085,200	1	2.24%	
Commercial Realty Enterprises	\$ 32,675,000	2	1.15%		\$ 32,675,000	2	1.22%	
Krisujen Realty L.P.	\$ 18,493,100	3	0.65%		\$ 32,030,000	3		
Realty Associates Fund VIII LP	\$ 15,075,600	4	0.53%					
Sopris Mgmt LLC	\$ 14,400,000	5	0.51%					
Triangle 17 Center LLC	\$ 12,860,000	6	0.45%		\$ 23,398,600	4	0.87%	
Minolta Corp. C/O Tax Mgr	\$ 10,000,000	7	0.35%					
Verizon Property Tax Dept	\$ 9,447,502	8	0.33%		\$ 9,766,000	9		
Adventures in Recreation, Inc.	\$ 9,125,000	9	0.32%		\$ 9,002,600	10	0.33%	
Ferncroft C/O H.W. Young & Assoc., Inc.	\$ 9,002,600	10	0.32%		\$ 17,463,100	5	0.65%	
Franklin Associates								
Minolta Corp. C/O Tax Mgr					\$ 13,600,000	6	0.51%	
Emmes Partners					\$ 10,263,000	8	0.38%	
ESA NJ					\$ 12,853,300	7	0.48%	
Kislevitz, C/O Hunter Group								
Ramsey Associates								
Total	\$ 187,894,602		6.62%		\$ 221,136,800		6.67%	

Net Assessed Valuation: \$ 2,838,625,100 \$ 2,688,202,800

Source: Municipal Tax Assessor.

Exhibit J-9

Ramsey Board of Education
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ended June 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	31,921,321	31,921,321	100.00%	
2004	33,676,660	33,676,660	100.00%	
2005	36,734,950	36,734,950	100.00%	
2006	39,740,679	39,740,679	100.00%	
2007	42,061,180	42,061,180	100.00%	
2008	43,462,518	43,461,518	100.00%	
2009	45,019,071	45,019,071	100.00%	
2010	47,264,967	47,264,967	100.00%	
2011	48,736,464	48,736,464	100.00%	
2012	49,511,517	49,511,517	100.00%	

Source: Municipal Tax Collector

Ramsey Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	
2003	7,660,000	-	-	-	-	7,660,000	\$ 150
2004	30,679,000	-	-	-	-	30,679,000	\$ 563
2005	29,499,000	-	-	-	-	29,499,000	\$ 520
2006	28,264,000	-	-	-	-	28,264,000	\$ 451
2007	26,969,000	-	-	-	-	26,969,000	\$ 400
2008	25,614,000	-	-	-	-	25,614,000	\$ 375
2009	24,209,000	-	-	-	-	24,209,000	\$ 383
2010	22,749,000	-	-	-	-	22,749,000	\$ 347
2011	21,169,000	-	-	-	-	21,169,000	Not Available
2012	19,505,000	-	-	-	-	19,505,000	Not Available

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

**Ramsey Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	7,660,000	-	7,660,000	0.28%	\$ 150
2004	30,679,000	-	30,679,000	1.13%	\$ 563
2005	29,499,000	-	29,499,000	1.08%	\$ 520
2006	28,264,000	-	28,264,000	1.03%	\$ 451
2007	26,969,000	-	26,969,000	0.97%	\$ 400
2008	25,614,000	-	25,614,000	0.92%	\$ 375
2009	24,209,000	-	24,209,000	0.86%	\$ 383
2010	22,749,000	-	22,749,000	0.80%	\$ 347
2011	21,169,000	-	21,169,000	0.75%	Not Available
2012	19,505,000	-	19,505,000	0.68%	Not Available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-6 for property tax data.

^b Population data can be found in Exhibit NJ J-14.

Ramsey Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2012			\$ 19,505,000
Net overlapping debt of School District:			
Town of Ramsey	100.000%	\$ 8,890,888	
County of Bergen	1.781%	\$ 12,437,695	
Subtotal, overlapping debt			\$ 21,328,583
Total direct and overlapping debt			\$ 40,833,583

Sources: Ramsey Municipal Finance Officer / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Ramsey. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Ramsey Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized valuation basis						
	2011	2010	2009	2008	2007	2006	2005
	\$ 3,780,004,039	3,662,123,117	3,780,004,039				
	<u>[A] \$ 11,222,131,195</u>						
	\$ 3,740,710,398						
	<u>[A/3]</u>						

**Ramsey Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita		Unemployment Rate ^d
			Personal Income ^c		
2002	14,432	\$ 749,208,416	51,913		3.10%
2003	14,395	\$ 736,045,140	51,132		4.20%
2004	14,414	\$ 785,015,268	54,462		4.20%
2005	14,322	\$ 812,143,332	56,706		4.20%
2006	14,465	\$ 907,158,010	62,714		2.70%
2007	14,492	\$ 976,673,848	67,394		2.40%
2008	14,530	\$ 991,338,310	68,227		3.20%
2009	14,718	\$ 930,148,164	63,198		5.70%
2010	14,490	\$ 948,892,140	65,486		5.90%
2011	14,567	Not Available	Not Available		5.80%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^c Per Capita Personal Income - Bergen County - provided by NJ Dept of Labor and Workforce Development

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

Ramsey Board of Education
Principal Employers
Current Year and Nine Years Ago

Employer	2011			2002		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.	-	0	0.00%	-	1	0.00%
	-	0	0.00%	-	2	0.00%
	-	0	0.00%	-	3	0.00%
	-	0	0.00%	-	4	0.00%
	-	0	0.00%	-	5	0.00%
	-	0	0.00%	-	6	0.00%
	-	0	0.00%	-	7	0.00%
	-	0	0.00%	-	8	0.00%
	-	0	0.00%	-	9	0.00%
	-	0	0.00%	-	10	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-	0	0.00%	-	0	0.00%
	-		0.00%	-		0.00%
	-		0.00%	-		0.00%

Source: Town of Ramsey

Ramsey Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction										
Regular	248	246	249	252	254	253	253	248	241	239
Special education	42	38	38	41	43	43	44	42	41	41
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	49	49	49	50	50	50	48	48	48	48
General administrative services	5	5	5	5	5	5	5	5	5	5
School administrative services	23	18	18	18	18	18	18	18	18	17
Business administrative services	5	5	5	5	5	5	5	5	5	5
Plant operations and maintenance	38	37	37	37	37	37	37	37	37	37
Pupil transportation	5	5	5	5	5	5	5	5	5	5
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	<u>415</u>	<u>403</u>	<u>406</u>	<u>413</u>	<u>417</u>	<u>416</u>	<u>415</u>	<u>408</u>	<u>400</u>	<u>397</u>

Source: District Personnel Records

**Ramsey Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal	Enrollment	Operating	Cost Per	Percentage	Teaching	Pupil/Teacher Ratio		High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School					
2003	2,883	36,610,566	12,699	#DIV/0!	290	16:4	10:6	9:9	2,883	2,765	3.19%	95.91%
2004	2,952	38,942,435	13,192	3.88%	284	15:1	10:6	10:6	2,952	2,827	2.39%	95.77%
2005	3,023	41,569,348	13,751	4.24%	287	13:8	10:0	10:2	3,023	2,894	2.41%	95.73%
2006	3,064	45,055,791	14,705	11.47%	293	13:1	10:1	10:6	3,064	2,948	1.36%	96.21%
2007	3,126	48,387,179	15,479	12.57%	296	11:0	10:2	10:2	3,126	3,005	2.02%	96.13%
2008	3,132	50,743,820	16,202	10.18%	296	11:0	10:3	10:0	3,131	3,004	0.16%	95.94%
2009	3,108	50,425,805	16,225	4.82%	297	12:0	10:8	10:1	3,108	2,985	-0.73%	96.04%
2010	3,102	51,057,540	16,462	6.35%	290	11:7	9:8	10:2	3,102	2,967	-0.93%	95.65%
2011	3,073	51,922,301	16,896	4.29%	282	11:2	9:5	10:3	3,057	2,928	-1.64%	95.78%
2012	3,020	52,441,811	17,365	7.03%	280	Not Avail.	Not Avail.	Not Avail.	3,024	2,903	-1.08%	96.00%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Ramsey Board of Education
School Building Information
Last Ten Fiscal Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Buildings</u>										
<u>Elementary</u>										
John Y. Dater Elementary School (Grades K-)										
Square Feet	59,826	59,826	59,826	59,826	71,488	71,488	71,488	71,488	71,488	71,488
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	466	443	449	405	501	478	460	419	432	433
Mary A. Hubbard Elementary School (Grades)										
Square Feet	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656	77,656
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	479	464	478	531	438	442	450	446	427	416
Welsey D. Tisdale Elementary School (Grades)										
Square Feet	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339	78,339
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	483	546	535	503	461	440	425	443	444	455
<u>Middle School</u>										
Eric S. Smith Middle School (Grades 6-8)										
Square Feet	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122	111,122
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	697	744	748	785	808	841	849	836	785	745
<u>High School</u>										
Ramsey High School (Grades 9-12)										
Square Feet	190,363	190,363	190,363	190,363	200,520	200,520	200,520	200,520	200,520	200,520
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	746	745	799	832	888	931	924	957	968	971
<u>Other</u>										
Administration Building										
Square Feet	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455	5,455

Number of Schools at June 30, 2012

Elementary = 3

Middle School = 1

High School = 1

Other = 0

Source: District records, ASSA

Note: Enrollment is based on students' enrolled within the District -- out of district students have not been included

Ramsey Board of Education
 General Fund
 Schedule of Required Maintenance for School Facilities
 Last Ten Fiscal Years
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Ramsey High School	N/A	214,032	197,365	140,332	173,601	245,786	174,760	108,641	129,769	108,463	133,039
Eric S. Smith Middle School	N/A	108,028	87,711	93,351	99,386	128,573	114,570	98,700	80,471	71,618	82,215
John Y. Dater Elementary School	N/A	100,404	117,377	84,549	91,307	112,158	182,282	87,210	48,324	42,615	49,375
Mary A. Hubbard Elementary School	N/A	111,799	87,909	96,856	144,719	88,861	113,703	74,234	48,507	40,558	41,874
Welsey D. Tisdale Elementary School	N/A	92,930	100,586	95,568	96,431	106,706	106,792	70,089	40,989	33,367	41,874
Grand Total		\$ 627,193	\$ 590,948	\$ 510,656	\$ 605,444	\$ 682,084	\$ 692,107	\$ 438,874	\$ 348,060	\$ 296,621	\$ 306,503

**Ramsey Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2012
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Alliance Insurance Fund	Property Blanket Building & Contents- Replacement Cost Values	7,700,000	1,000
	General Liability	5,000,000	
	Comprehensive Automobile Liability	5,000,000	
	Employee Benefit Liability	5,000,000	
	Umbrella Liability	5,000,000	
	First Layer Catastrophe		
	Electronic Data Processing Equipment	Included in Blanket Limit	
	Boiler & Machinery - Umbrella policy	Included in Blanket Limit	
	School Board Legal Liability - Directors and Officers Policy	5,000,000	25,000
	Student Accident Liability		
	Public Employees' Faithful Performance Blanket Position Bond - Treasurer of School Moneys Position Bond - Board Secretary Position Bond - Assistant Board Secretary Blanket Dishonesty Bond	500,000	

Source: District Records

SINGLE AUDIT SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Ramsey School District in the County of Bergen as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Borough of Ramsey School District in the County of Bergen, and have issued our report thereon dated November 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board of Education of the Borough of Ramsey School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Ramsey School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Ramsey School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ramsey School District Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



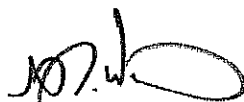
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

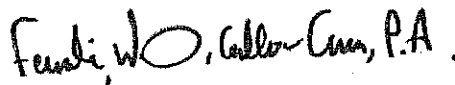
As part of obtaining reasonable assurance about whether the Borough of Ramsey School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial instances of noncompliance, that we have reported to the Board of Education of the Borough of Ramsey School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 27, 2012.

This report is intended solely for the information of management, the Borough of Ramsey Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 27, 2012

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable President and
Members of the Board of Education
Borough of Ramsey School District
County of Bergen, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Borough of Ramsey School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Borough of Ramsey School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Ramsey School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Ramsey School District Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Ramsey School District Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Ramsey School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Ramsey School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.

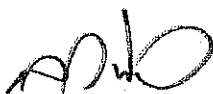
Internal Control Over Compliance


The management of the Borough of Ramsey School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Ramsey School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Ramsey School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Ramsey Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.


Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

November 27, 2012

BOROUGH OF RAMSEY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2012

Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Due to Grantor at	
General Fund:														
Education Jobs Fund	84.410A		74,893	7/1/2011	9/30/2012			74,893	74,893					74,893
Special Education Medicaid Initiative	93.778		4,039	7/1/2011	6/30/2012			4,039	4,039					4,039
Special Education Medicaid Initiative	93.778		7,148	7/1/2010	6/30/2011	(2,221)		2,221						7,148
Total General Fund						(2,221)		81,153	78,932					86,080
US Department of Education														
Passed Through State Dept of Education:														
Special Revenue Fund														
Title I, Part A	84.010	NCLB431012	40,103	9/1/11	8/31/12			40,103	40,103					40,103
Title I, Part A	84.010	NCLB431011	42,891	9/1/10	8/31/11	(7,267)		7,267						42,891
						(7,267)		47,370	40,103					82,994
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431012	60,725	9/1/11	8/31/12			48,223	60,725			(14,502)		60,725
Title II, Part A, Teacher/Principal Training and Recruiting	84.367	NCLB431011	62,124	9/1/10	8/31/11	(10,365)		10,365						62,151
						(10,365)		58,588	60,725			(12,502)		122,876
Title III	84.365	NCLB431011	12,388	9/1/10	8/31/11	(3,263)		3,263						12,388
						(3,263)		3,263						12,388
IDEA, Part B-Basic	84.027	IDEA431012	729,741	9/1/11	8/31/12			696,729	729,741			(33,012)		729,741
IDEA, Part B-Basic	84.027	IDEA431011	680,992	9/1/10	8/31/11	(50,902)		50,902						680,992
IDEA, Part B-Preschool	84.173	IDEA431012	32,449	9/1/11	8/31/12			20,840	32,449			(11,609)		32,449
ARRA IDEA, Part B-Basic	84.391	IDEA431011	785,754	9/1/09	8/31/11	(44,386)		44,386						785,754
ARRA IDEA, Part B-Preschool	84.392	IDEA431011	28,435	9/1/09	8/31/11	(2,000)		2,000				(44,621)		48,435
						(97,288)		814,857	762,190					2,271,371
Total Special Revenue Fund						(118,183)		924,078	863,018			(57,123)		2,495,629
US Department of Agriculture														
Passed Through State Dept of Education:														
Enterprise Fund														
Food Distribution Program	10.550	N/A	30,624	7/1/11	6/30/12			30,624	30,624					30,624
National School Lunch Program	10.555	N/A	61,778	7/1/11	6/30/12			56,979	61,778			(4,799)		61,778
National School Lunch Program	10.555	N/A	59,858	7/1/10	6/30/11	(5,107)		5,107						59,858
Total Enterprise Fund						(5,107)		92,710	92,402			(4,799)		152,260
Total Federal Financial Assistance						(125,511)		1,097,941	1,034,352			(61,922)		2,733,969

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BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2012

State Grant/Program Titles	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2011		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Memo	
				Deferred Revenue (Accts Receivable)	Due to Grantor							Due to Grantor at	Cumulative Total Expenditures
State Department of Education:													
General Fund													
Special Education Categorical Aid	12-495-034-5120-089	\$ 948,140	7/1/2011 6/30/2012	\$			893,259	948,140		(589,373)		*	948,140
Extraordinary Aid	12-495-034-5120-044	589,373	7/1/2011 6/30/2012				487,745	589,373				*	589,373
Extraordinary Aid	11-495-034-5120-044	487,745	7/1/2010 6/30/2011	(487,745)						(9,770)		*	487,745
Non Public Transportation	12-495-078-6060-034	9,770	7/1/2011 6/30/2012				7,670	9,770				*	9,770
Non Public Transportation	11-495-078-6060-034	7,670	7/1/2010 6/30/2011	(7,670)								*	7,670
NTE Homeless Reimbursement	12-100-029-6060-034	13,903	7/1/2011 6/30/2012				13,903	13,903		(771)		*	13,903
NTE Homeless Reimbursement	07-100-029-6060-034	5,460	7/1/2006 6/30/2007	(771)								*	5,460
Reimbursed TPAF Social Security	12-495-034-5095-031	1,690,781	7/1/2011 6/30/2012				1,690,781	1,690,781				*	1,690,781
On Behalf TPAF Pension - Post Retirement	12-495-034-5095-001	2,121,938	7/1/2011 6/30/2012				2,121,938	2,121,938				*	2,121,938
On Behalf TPAF NCGI Premium	12-495-034-5095-001	70,587	7/1/2011 6/30/2012				70,587	70,587				*	70,587
Total General Fund				(496,186)			5,285,883	5,444,492		(599,914)		*	8,105,328
Special Revenue Fund													
Distance Learning Network Aid	N/A		7/1/2007 6/30/2008	2,772							2,772	*	
NonPublic Aid:												*	
Textbook Aid	12-100-034-5120-064	41,596	7/1/2011 6/30/2012				41,596	41,596				*	41,596
Nursing Services	12-100-034-5120-070	59,417	7/1/2011 6/30/2012				59,417	59,417				*	59,417
Handicapped Services:												*	
Exam & Classification	12-100-034-5120-066	71,332	7/1/2011 6/30/2012				71,332	69,315				*	69,315
Exam & Classification	11-100-034-5120-066	62,994	7/1/2010 6/30/2011		17,054				17,054			*	45,940
Corrective Speech	12-100-034-5120-066	17,377	7/1/2011 6/30/2012				17,377	12,954				*	12,954
Corrective Speech	11-100-034-5120-066	23,470	7/1/2010 6/30/2011		3,677				3,677			*	19,793
Supplementary Inst.	12-100-034-5120-066	28,763	7/1/2011 6/30/2012				28,763	24,602				*	24,602
Supplementary Inst.	11-100-034-5120-066	28,878	7/1/2010 6/30/2011		7,018				7,018			*	22,860
Auxiliary Services:												*	
Compensatory Education	12-100-034-5120-067	71,008	7/1/2011 6/30/2012				71,008	49,790				*	49,790
Compensatory Education	11-100-034-5120-067	73,931	7/1/2010 6/30/2011		3,433				3,433			*	70,498
English as a Second Language	11-100-034-5120-067	3,793	7/1/2011 6/30/2012				3,793	2,586				*	2,586
English as a Second Language	12-100-034-5120-067	4,269	7/1/2010 6/30/2011		2,391				2,391			*	1,878
Total Special Revenue Fund				2,772	33,573		293,286	260,260	33,573	(599,914)	2,772	*	421,229

BOROUGH OF RAMSEY SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards
Year ended June 30, 2012

State Grantor/Program Titles	Balance at June 30, 2011					Balance at June 30, 2012				Memo						
	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Adjustments		Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
			From	To												
Capital Projects Fund																
State School Building Aid - EDA Grant																
High School Building Renovation Project	SP # 202361	204,436			(40,887)						(40,887)					204,436
Tisdale Elementary School Building Additions	SP # 202324	367,522			(365,684)						(365,684)					365,684
Mary A. Hubbard Elementary School Building Additions & Renovations	4310-070-03-1049	309,491			(57,588)						(57,588)					309,491
Eric S. Smith Middle School Building Additions & Renovations	4310-055-03-1048	1,194,641			(1,069,204)						(1,069,204)					1,194,641
Ramsey High School Building Additions & Renovations	4310-050-03-1051	552,603			(496,321)						(496,321)					552,603
John Y. Dater Elementary School Additions, Renovation & Construction of New School	4310-060-03-1050	3,706,560			(3,317,371)						(3,317,371)					3,706,560
Ramsey High School Building Partial Roof Replacement	4190-050-05-1000-NE	98,116			(98,116)						(98,116)					98,116
Ramsey High School PEC Sprinkler Systems	4310-050-090-1001-G02	41,384			(35,600)						(35,600)					35,600
Ramsey High School Partial Room Replacement and HVAC Upgrades	4310-050-09-1001-G0PB	127,108			(86,501)						(86,501)					86,501
1114																
Total Capital Projects Fund					(5,567,272)						(5,567,272)					6,553,632
Enterprise Fund																
State Department of Agriculture																
National School Lunch Program (State Share)	12-100-010-3350-023	5,120	7/1/2011	6/30/2012		4,722	5,120				(398)					5,120
National School Lunch Program (State Share)	11-100-010-3350-023	5,303	7/1/2010	6/30/2011		500										5,303
Total Enterprise Fund						5,222	5,120				(398)					10,423
Total State Financial Assistance						5,584,391	5,709,872		33,573		(6,167,584)	2,772	33,026		(54,881)	15,090,612
Local Sources																
Capital Projects Fund																
Bergen County Open Space Trust Fund	OSTFMP-RAMBOE-09-01	91,392	7/1/2010	6/30/2011		91,392										91,392
Total Local Financial Assistance						91,392										91,392
Total State and Local Financial Assistance						5,675,783	5,709,872		33,573		(6,167,584)	2,772	33,026		(54,881)	15,182,004

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Ramsey School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(54,881) for the general fund and \$-0- for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$78,932	\$5,375,708	\$5,454,640
Special Revenue Fund	863,018	260,260	1,123,278
Food Service Fund	<u>92,402</u>	<u>5,120</u>	<u>97,522</u>
Total Financial Awards	<u>\$1,034,352</u>	<u>\$5,641,088</u>	<u>\$6,675,440</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027/84.173/84.391/84.392 (A)

IDEA, Part B-Basic/IDEA, Part B-Preschool/
ARRA-IDEA, Part B-Basic/ARRA-IDEA,
Part B-Preschool

Note: (A) - Tested as Major Type A Program.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unqualified

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported
2. Material weakness(es) identified? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5095-002	(A) Reimbursed TPAF Social Security Contribution
495-034-5120-089	(A) Special Education Categorical Aid
100-034-5120-066	(B) Nonpublic Handicapped Aid (Chapter 193)

Note: (A) - Tested as Major Type A Program.

Note: (B) - Tested as Major Type B Program.

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

**BOROUGH OF RAMSEY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

STATUS OF PRIOR YEAR FINDINGS

None